

Government That Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

OLD BRIDGE TOWNSHIP SCHOOL DISTRICT

DONALD T. DiFRANCESCO

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MARCH, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Old Bridge Township School District

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a community or school district to participate in the Local Government Budget Review (LGBR) program, a majority of the elected officials must request the help of the review team through a public resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and to agree to an open public presentation of the review team's findings and recommendations.

As part of the review of the Old Bridge Township School District, review team members interviewed board of education members, administrators, district employees, teachers, parents, students, county education personnel, and community members. The review team received cooperation and assistance from the educational community and the community at large. It was most enjoyable working with the people of Old Bridge Township.

The team reviewed a variety of documents including, but not limited, to the following: budget statements, audit reports, annual financial statements (CAFR), collective bargaining agreements, various state reports, payroll records, personnel contracts and files, vendor and account analyses, board policies, meeting agendas and minutes, and a variety of other pertinent documents. Members of the review team visited all of the district facilities. Board of education meetings and other district meetings were observed during the course of the visit.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only the first year. Some of these suggestions will require negotiations through the collective bargaining process. We believe that these estimates are conservative and achievable.

In addition to the Findings and Recommendation section, this report contains a section entitled Best Practices. Best Practices notes areas in which the district does well and that might be replicated by other school districts to save money.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

Technology

The team recommends that the district increase technical services and support by hiring two full-time technicians and six part-time student technicians, at an annual expense of \$143,000.

Instruction

The team recommends that the district consolidate one LD class, not filling three paraprofessional aide positions, potentially saving \$84,650.

By reducing the clerical staff in the guidance program by two positions, the district could save \$51,400. The team also recommends that the district purchase two personal computers, at a one-time expense of \$2,000.

Business Office Operation

The team recommends that the district eliminate longevity increments from salary guides, potentially saving \$13,530.

The district should consider using a private payroll provider, thereby, reducing one position from the payroll staff and computer services, saving \$79,640.

By negotiating with the municipality to eliminate the five cents added cost to gasoline, the district could potentially save \$2,270.

Facilities and Operations

The team recommends that the district eliminate two of the four technician positions through attrition, saving \$170,695.

By assigning maintenance personnel to a second shift, through cooperative scheduling, the district could save \$59,000 in overtime.

The district could save \$1,015,546 by reducing the remaining 31 district custodians and privatizing the service.

By implementing the various recommendations outlined in the report, the district could save approximately \$30,000 in overtime for grounds operations.

Transportation

The team recommends that the district eliminate the practice of soliciting quotes for routes, with the exception of true emergencies, saving \$34,650.

The district could save an additional \$12,000 by developing vehicle specifications without resorting to restrictive bids.

By eliminating six contracted driver positions, through attrition, the district could save \$129,240.

The team recommends that the district return to the Extracurricular/Late Run process as defined in the negotiated agreement, saving \$157,000.

The team recommends that the district continue the practice of accepting bids and quotes for non-public transportation routes that exceed the limitations set by statute. Reimbursing the mandated amount to the parents of non-public school students would save \$109,752. The team further recommends that the district improve the management of route assignments to assure that payments are not made when no service has been provided, for an additional saving of \$43,200.

By eliminating one mechanic's position, through attrition, the district could save \$61,248.

Food Service

The team recommends that the district raise lunch prices to reflect current state guidelines and to help defray subsidized costs, saving \$63,800.

The district should consider reducing the number of noon hour lunch aides. By using a consistent number of students supervised during lunch compared to student enrollment, the district could eliminate twelve aides positions, saving \$36,286.

By increasing vending machine sales through a better location and polling students, the district could generate an additional \$6,468 in income.

Collective Bargaining Issues

Health Insurance

The district should continue to pursue additional cost containment methods, potentially saving \$1,280,000 - \$1,755,000. The district should consider changing to the State Health Benefits Plan (SHBP) in future negotiations.

The team recommends that the district negotiate, and implement, an across the board premium cost-sharing arrangement, potentially saving \$410,000 - \$545,000.

By negotiating and implementing the recommended changes for prescription benefits, the district could potentially save \$148,000 - \$202,000.

By negotiating an increase in deductible levels and a 50% premium co-pay, the district could potentially save \$591,000.

Transportation

The team recommends that the board seek legal counsel in renegotiating the current bus driver contract and implement the outlined recommendations, for a potential savings \$215,266.

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Technology				
Hire two full-time district-employed technicians		(\$80,000)		
Hire six part-time student technicians		(\$63,000)		
				(\$143,000)
Instruction				
Consolidate one LD class, not filling three paraprofessional aide positions			\$84,650	
Reduce clerical staff in the guidance program by two positions		\$51,400		
Purchase two personal computers	(\$2,000)			
				\$49,400
Business Office Operation				
Eliminate longevity increments from salary guides			\$13,530	
Use private payroll vendor		\$79,640		
Eliminate five cents added to gasoline			\$2,270	
				\$79,640
Facilities and Operations				
Eliminate two of the four technician positions		\$170,695		
Reduce overtime by assigning maintenance personnel to a second shift		\$59,000		
Reduce the number of remaining 31 custodians and bid out for the service		\$1,015,546		
Implementation of various cost reductions for ground operations		\$30,000		
				\$1,275,241
Transportation				
Eliminate the practice of soliciting quotes for routes		\$34,650		
Develop vehicle specifications		\$12,000		
Eliminate six contracted driver positions		\$129,240		
Return to the Extracurricular/Late Run process		\$157,000		

**COMPARISON OF BUDGET APPROPRIATION, STATE AID
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE OLD BRIDGE TOWNSHIP SCHOOL DISTRICT**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Bus only non-public school students		\$109,752		
Improve management of route assignments		\$43,200		
Eliminate one mechanic's position		\$61,248		
				\$547,090
Food Service				
Raise lunch prices		\$63,800		
Eliminate twelve lunch aide positions		\$36,286		
Increase vending machine sales		\$6,468		
				\$106,554
Collective Bargaining Issues				
<i>Health Insurance</i>				
Pursue further cost containment methods			\$1,280,000	
Negotiate an across the board premium cost-sharing arrangement			\$410,000	
Negotiate and implement recommended changes for prescription benefits			\$148,000	
Negotiate an increase in deductible levels and a 50% premium co-pay			\$591,000	
<i>Transportation</i>				
Renegotiate bus driver contract and implement recommendations			\$215,266	
Total Recommended Savings	(\$2,000)	\$1,916,925	\$2,744,716	\$1,914,925

*\$2,774,716 not included in savings of \$1,914,925.

COMPARISON OF BUDGET APPROPRIATION, STATE AID AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE OLD BRIDGE TOWNSHIP SCHOOL DISTRICT

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Total Amount Raised for School Tax				\$51,817,994
Savings as a % of School Tax				4%
Total Budget				\$90,164,319
Savings as a % of Budget				2%
Total State Aid				\$36,289,762
Savings as a % of State Aid				5%

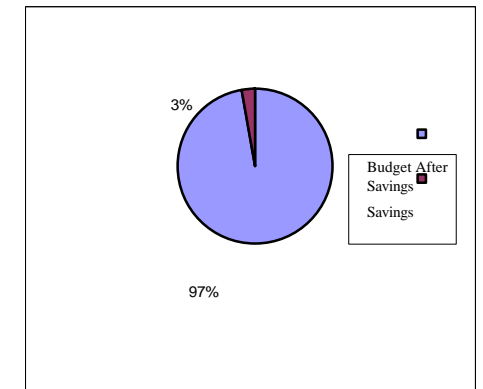
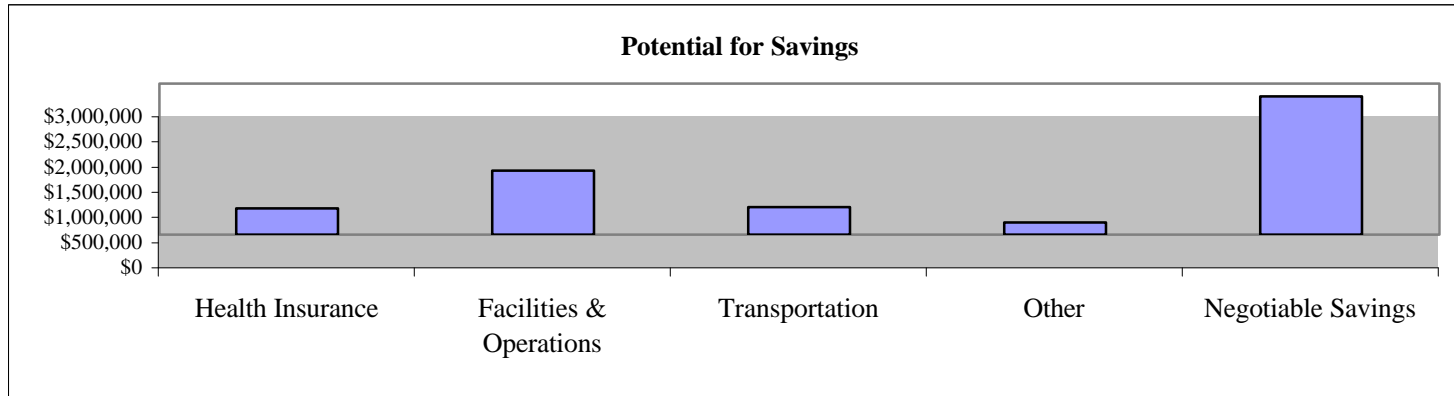


TABLE OF CONTENTS

Preface – Government That Works/Opportunities for Change
The Review Process
Executive Summary
Comparison of Cost/Tax Rate with Recommended Savings

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW.....	1
I. BEST PRACTICES.....	2
II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS	4
BOARD OF EDUCATION	4
COMPARATIVE ANALYSES	5
ADMINISTRATION	10
TECHNOLOGY.....	13
INSTRUCTION	21
BUSINESS OFFICE OPERATION	48
SERVICE CONTRACTS	58
HEALTH INSURANCE	59
FACILITIES AND OPERATIONS.....	60
TRANSPORTATION	67
FOOD SERVICE	76
III. COLLECTIVE BARGAINING ISSUES	81
HEALTH INSURANCE	81
TRANSPORTATION	84
IV. SHARED SERVICES.....	86

COMMUNITY OVERVIEW

The Township of Old Bridge is located in southern Middlesex County, 30 miles south of New York City. Its location is convenient to both the New Jersey Turnpike and the Garden State Parkway. The community had an estimated 1998 population of 61,000, an increase of 8% over the 1990 census figures.

Old Bridge Township has a total of 17,670 parcels of land, of which 1,258 are vacant. The total land valuation is \$2,839,509,409. Approximately 84% of the township land is zoned residential, while 10% is commercial. The median 1989 household income was \$47,482.

The Old Bridge School District has one high school, with students located on two campuses based on their grade level, two middle schools, 12 elementary schools, and an adult school building. The Old Bridge K-12 enrollment in 1998-99 was 9,426. The budget was \$90,164,319, of which \$51,817,994 was raised by the local tax levy. The district had 779 certified and 401 other employees in 1998-99.

The district schools and facilities are used extensively by the community. The district has a great deal of ethnic diversity, reflecting the community in general.

I. BEST PRACTICES

A very important part of each Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those "best practices" recognized by the team for their cost and/or service delivery effectiveness.

Affirmative Action Presentation: The Old Bridge School District plans to use a live television broadcast to present information to staff about the district's affirmative action program. This will take place during the first day of orientation at the beginning of each school year. The high school television studio will be used as the telecast source. The program will identify staff responsible for affirmative action, explain the program procedures, and respond to questions from teachers in the studio audience. This is an efficient way to respond to an information requirement-reaching all staff, in an interesting way, while providing consistent information. A tape of the session can be used to inform personnel hired later in the year, as well as for community, parent, and student use. This time-saving device could also be replicated by districts that do not have television studios through cooperation with community cable services.

The Cooperative Learning Project: The Cooperative Satellite Learning Project (CSLP) is a partnership through which Allied Signals Technical Services Corporation and the National Aeronautics and Space Administration (NASA) work with schools nationwide. Old Bridge High School is one of two New Jersey schools, and one of nine schools nationwide, to offer this program. The objective of CSLP is to encourage students to pursue careers in science, engineering, mathematics, and the space industry.

Old Bridge High School has been involved with CSLP since 1995. The program began as an after school club. Two years later the board of education approved CSLP as a five credit elective course. Currently, the high school offers two sections of the course.

The course is designed as a cooperative learning experience through a variety of projects. The textbook is a training manual used by the Jet Propulsion Laboratory for new employees. NASA has allowed CSLP to "adopt" the Advanced Composition Explorer (ACE) satellite. CSLP students design, construct, launch, and test satellites. Old Bridge students are researching the next NASA satellite, the Microwave Anisotropy Probe, which is being built at the Goddard Space Flight Center. The instrument package is being developed and built at Princeton University. A Princeton astrophysicist visits the classroom regularly to discuss the project. Students give CSLP presentations to the general public and other schools in the district. A monthly newsletter provides information about the class and program.

CSLP students have two annual field trips: one to the Goddard Space Flight center in Greenbelt, Maryland, the other a CSLP conference. Scientists and engineers come to the district four to six times a year to give lectures and answer questions.

Communications Initiatives: The board of education and the superintendent have made communications with all parts of the community a priority. Among these efforts are monthly meetings between the superintendent and PTA presidents, evening forums in the schools to answer questions and hear issues, a monthly meeting by the superintendent and a community advisory committee, a variety of publications, televised regular monthly board of education meetings, an e-mail site which can be used to directly ask questions of the superintendent, and a web site. Because public education is expensive, information concerning these costs is vital to public understanding of the needs and learning goals of the community's schools.

Middle School Activities Programs: Each of the district's two middle schools has a program to motivate increased student participation in after school activities. A wide variety of sports and clubs is offered. Many of the activities derive from staff interests and are conducted on a voluntary basis. This helps ensure that the program activities expand the traditional menu of sports and clubs. Participating students receive points for their involvement in the activities. These points can be accumulated to earn a field trip and recognition breakfasts sponsored by the school PTAs.

Middle School Planetaria: The Old Bridge School District has a planetarium in each of its two middle schools. These creative facilities enhance the curriculum for students. At the same time, the planetaria afford fascinating learning opportunities for students from the district's other schools, who travel to the middle schools for special programs. The community is also able to learn about science, astronomy, and many other aspects of life through these unique facilities. The staff who serve the planetaria are well trained and enthusiastic about their fine learning spaces and their many programs.

Peer Leadership Program: The district employs middle school training activities in conflict resolution and peer mediation. Student volunteers participating in these activities learn important leadership skills, while helping to maintain a positive school environment. This program enables the district to work with municipal authorities and the Old Bridge Municipal Alliance.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the school district and its taxpayers.

In its study, the review team found that the district makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted, as appropriate, in the findings to follow. The district is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates, resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

BOARD OF EDUCATION

An elected nine-member board, which serves staggered three-year terms, governs the district. There are two high school student board representatives. The board meets twice per month. Its regular monthly meeting is televised over the local cable channel. The board has nine standing committees, seven of which have advisory members from the PTA and other citizens.

The board of education policies were reviewed and revised during the school year that LGBR worked in the district. This seemed appropriate, since many policies were last revised 20 years ago. A professional policy development company aided the board in its policy review.

The board of education expenses were reviewed. Totals of \$13,000 and \$16,000 were spent the last two-school years for a variety of board expenses. The expenses seem appropriate both in object and amount.

The Old Bridge Board of Education has placed a priority on communications with the public and within the district. This was one of the district's goals for the 1999-00 school year. Among procedures used by the district to provide communications are: an e-mail address that permits staff, students, and community to pose questions directly to the superintendent; monthly meetings between the superintendent and selected administrative staff with the presidents of all school PTAs; monthly evening forums at various schools at which the superintendent and

principals are available for questions and suggestions; administrative staff meetings at various levels; and monthly advisory committee meetings at which the superintendent and administrative staff exchange views on specific topics with a community advisory committee. Most board of education subcommittee meetings are open to the public and the entire board and regular board meetings are televised.

The Old Bridge Board of Education has utilized the services of the New Jersey School Boards Association in the past, both for team building and role clarification training. LGBR supports continued in-service by the school boards association, in order to foster local board skill development and internal cooperation.

The board of education has a comprehensive planning process that has enabled the board and the district administration to predict student enrollment growth accurately. The data bank that has been assembled to guide these forecasts is impressive. Thanks to the data bank, the difficult task of obtaining funds for necessary increased classroom space has a strong demographic and statistical foundation.

District hiring policies, at the time of the review, limited granting experience credit to new instructional staff to a maximum of three years, with the exception for teaching areas where applicant shortages might exist. LGBR feels that this is a sound approach; one that attempts to avoid excessive salary costs while permitting flexibility in difficult employment areas.

COMPARATIVE ANALYSES

Many of the recommendations contained in this report are based on comparative analyses using New Jersey Department of Education data in comparison with districts of similar size and demographics. These kinds of comparisons, while not meant by the Department of Education to be used to gauge adequacy or efficiency of school districts, are useful for the purpose of LGBR reports.

Other data sources include district documents, reports of state agencies, state association information, and state department of education publications. The school districts used for comparison with Old Bridge are Edison, Piscataway, Woodbridge, and Middletown. These are all K-12 districts with enrollments in excess of 3,500 pupils. LGBR selected these districts because they are similar to Old Bridge in terms of grade level structure, size, and socio-economic characteristics.

TABLE 1
School Data Comparisons
Based on General Characteristics

Description	<u>Old Bridge</u>	<u>Woodbridge</u>	<u>Piscataway</u>	<u>Edison</u>	<u>Middletown</u>
County	Middlesex	Middlesex	Middlesex	Middlesex	Monmouth
District Type	II	II	II	II	II
Grades	K-12	K-12	K-12	K-12	K-12
District Factor Group	FG	DE	FG	FG	GH
Certified Employees	779	1,105	551	1,025	797
Other Employees	401	585	208	449	501
Total Employees	1,180	1,690	759	1,474	1,298
Square Miles	42	27	19	32	41
Number of Schools					
Elementary	12	16	6	11	12
Middle	2	5	3	4	3
High School	1*	3	1	2	2
Total Schools	15	24	10	17	17
	*Two Campuses				
Average Daily Enrollment	9,779	12,275	6,569	12,377	10,016
Teacher/Student Ratio					
Elementary	1:23	1:12	1:15	1:22	1:22
Middle School	1:23	1:10	1:11	1:23	1:22
High School	1:20	1:11	1:12	1:13.6	1:22
Administrative Personnel 1998-99					
Number of Administrators	39.5	56.2	37	54	51
Administrator per Students	237.8	215	173.6	432	167:1
Administrator/Faculty Ratio	11.9:1	11.4:1	13.7:1	17.4:1	12:1
Median Salary					
Faculty	\$59,175	\$61,286	\$62,675	\$67,459	\$51,500
Administrators	\$86,850	\$84,937	\$87,021	\$88,854	\$96,850
Median Years of Experience					
Faculty	21	18	19	18	17
Administrators	29	28	27	28	26
Scholastic Assessment Test Results					
Average Math Score 1998-99	525	497	524	546	514
Average Verbal Score 1998-99	494	481	490	511	508
Post-Graduation Plans					
4 year College/University	63%	49%	58%	56%	53%
2 year College	28%	31%	26%	28%	38%
Other College	0%	1%	2%	0%	0%
Other Post-Secondary School	6%	3%	5%	3%	0%
Full-time employment	2%	2%	7%	12%	7%
Other	1%	1%	3%	2%	0%
Undecided	0%	0%	-1%	-1%	0%
Instructional Time	5 hrs, 34 min	5 hrs, 15 min	5 hrs, 19 min	5 hrs, 44 min	5 hrs, 39 min
Student Mobility Rate	10%	18.5%	13.2%	7.6%	7.3%
Dropout rate	2.9%	2.5%	0.3%	1.4%	NR*

**All data are from school report card and CAFR as of June 30, 1999.

*NR - Not recorded

LGBR also reviews information contained in the 1998-99 Comprehensive Annual Financial Report (CAFR) for Old Bridge and the comparison districts. In Table 2 “Comparison of Revenue,” it can be seen that Old Bridge receives a significantly higher proportion of its revenue from the State of New Jersey than do the comparison districts, thereby, reducing the local taxpayer contribution.

TABLE 2
Comparison of Revenues
Based on Audit Report as of June 30,1999

Revenues	<u>Old Bridge</u>		<u>Woodbridge</u>		<u>Piscataway</u>		<u>Edison</u>		<u>Middletown</u>	
General Fund										
Local Tax Levy	\$51,817,994	56%	\$95,946,448	78.0%	\$48,989,242	67.6%	\$97,362,640	79.2%	\$69,746,946	66.8%
State Aid	\$36,289,762	40%	\$20,835,105	16.9%	\$16,962,785	23.4%	\$19,238,798	15.7%	\$23,067,556	22.1%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$16,796	0.0%
Tuition	\$41,357	0.0%	\$54,290	0.0%	\$0	0.0%	\$57,034	0.0%	\$84,819	0.1%
Miscellaneous	\$637,760	0.7%	\$1,336,768	1.1%	\$1,016,633	1.4%	\$1,062,894	0.9%	\$671,729	0.6%
Total General Fund	\$88,786,873	96.7%	\$118,172,612	96.1%	\$66,968,660	92.4%	\$117,721,366	95.8%	\$93,587,846	89.7%
Special Revenue Fund										
State Aid	\$1,283,812	1.4%	\$2,264,153	1.8%	\$1,900,159	2.6%	\$1,852,979	1.5%	\$1,528,967	1.5%
Federal Aid	\$1,263,774	1.4%	\$1,769,747	1.4%	\$1,142,585	1.6%	\$2,214,887	1.8%	\$1,748,563	1.7%
Other	\$3,945	0.0%	\$52,500	0.0%	\$45,740	0.1%	\$56,521	0.0%	\$2,333	0.0%
Total Revenue Fund	\$2,551,530	2.8%	\$4,086,399	3.3%	\$3,088,484	4.3%	\$4,124,387	3.4%	\$3,279,863	3.1%
Debt Service Fund										
Local Tax Levy	\$146,689	0.2%	\$645,695	0.5%	\$1,922,836	2.7%	\$1,032,402	0.8%	\$1,813,139	1.7%
State Aid	\$192,612	0.2%	\$72,891	0.1%	\$237,377	0.3%	\$53	0.0%	\$626,156	0.6%
Total Debt Service Fund	\$339,301	0.4%	\$718,586	0.6%	\$2,160,213	3.0%	\$1,032,455	0.8%	\$2,439,295	2.3%
Fiduciary Fund										
State Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Federal Aid	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other	\$126,529	0.1%	\$0	0.0%	\$107,126	0.1%	\$21,636	0.0%	\$80,166	0.1%
Total Fiduciary Fund	\$126,529	0.1%	\$0	0.0%	\$107,126	0.1%	\$21,636	0.0%	\$80,166	0.1%
Capital Projects										
Other	\$60	0.0%	\$0	0.0%	\$128,975	0.2%	\$0	0.0%	\$4,974,299	4.8%
Total Capital Projects	\$60	0.0%	\$0	0.0%	\$128,975	0.2%	\$0	0.0%	\$4,974,299	4.8%
Total Revenues (All Fund)	\$91,804,294	100%	\$122,977,597	100%	\$72,453,458	100%	\$122,899,844	100%	\$104,361,469	100%

NOTE: TPAF pension and social security reimbursement funds are non-budgeted revenues.

TABLE 3
Comparison of General Fund Expenditures

Actual	<u>Old Bridge</u>		<u>Woodbridge</u>		<u>Piscataway</u>		<u>Edison</u>		<u>Middletown</u>	
Regular Program - Inst.	\$32,083,646	35.6%	\$44,176,501	36.7%	\$22,086,387	33.6%	\$44,432,057	38.2%	\$34,844,909	36.4%
Special Education	\$5,361,544	5.9%	\$7,025,841	5.8%	\$4,498,950	6.9%	\$7,210,075	6.2%	\$6,940,059	7.3%
Basic Skills-Remedial	\$1,519,780	1.7%	\$377,329	0.3%	\$1,095,535	1.7%	\$2,580,884	2.2%	\$828,486	0.9%
Bilingual Education	\$949,443	1.1%	\$757,910	0.6%	\$797,126	1.2%	\$1,192,801	1.0%	\$0	0.0%
Sponsored Cocurr. Act.	\$184,773	0.2%	\$400,437	0.3%	\$196,576	0.3%	\$360,756	0.3%	\$329,758	0.3%
Sponsored Athletics	\$724,481	0.8%	\$800,401	0.7%	\$600,876	0.9%	\$783,123	0.7%	\$898,477	0.9%
Other Instruction Program	\$0	0.0%	\$0	0.0%	\$38,173	0.1%	\$0	0.0%	\$0	0.0%
Community Services Program	\$7,446	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Total Instructional Cost	\$40,831,113	45.3%	\$53,538,419	44.5%	\$29,313,622	44.7%	\$56,559,696	48.6%	\$43,841,689	45.9%
Undistributed Exp. – Tuition Out-of-District	\$3,722,641	4.1%	\$4,413,170	3.7%	\$2,825,773	4.3%	\$6,194,609	5.3%	\$3,051,615	3.2%
General Administration	\$1,350,973	1.5%	\$2,279,964	1.9%	\$1,323,696	2.0%	\$2,013,094	1.7%	\$2,549,230	2.7%
School Administration	\$3,672,167	4.1%	\$7,332,063	6.1%	\$2,470,563	3.8%	\$4,463,626	3.8%	\$3,751,645	3.9%
Total Admin. Cost	\$5,023,140	5.6%	\$9,612,027	8.0%	\$3,794,259	5.8%	\$6,476,720	5.6%	\$6,300,875	6.6%
Food Service	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Health Service	\$825,651	0.9%	\$1,325,106	1.1%	\$505,771	0.8%	\$1,367,634	1.2%	\$1,106,285	1.2%
Attend. & Soc. Work Serv.	\$129,444	0.1%	\$46,363	0.0%	\$151,031	0.2%	\$99,254	0.1%	\$33,233	0.0%
Stud. Related & Extra Serv.	\$850,151	0.9%	\$662,587	0.6%	\$513,794	0.8%	\$770,219	0.7%	\$611,343	0.6%
Other support Service	\$3,230,717	3.6%	\$5,422,340	4.5%	\$2,882,828	4.4%	\$4,485,847	3.9%	\$3,622,468	3.8%
Other - Imp. of Inst. Serv.	\$717,259	0.8%	\$873,380	0.7%	\$1,175,855	1.8%	\$1,754,282	1.5%	\$1,025,771	1.1%
Media Serv./Sch. Library	\$1,095,176	1.2%	\$1,516,271	1.3%	\$922,611	1.4%	\$961,095	0.8%	\$395,887	0.4%
Inst. Staff Training Serv.	\$49,455	0.1%	\$222,139	0.2%	\$94,162	0.1%	\$159,494	0.1%	\$369,523	0.4%
Operation of Plant	\$8,966,752	9.9%	\$7,544,903	6.3%	\$5,966,396	9.1%	\$9,712,919	8.4%	\$9,252,499	9.7%
Business & Other Sup. Serv.	\$1,291,261	1.4%	\$2,200,148	1.8%	\$1,360,674	2.1%	\$1,151,128	1.0%	\$787,327	0.8%
Total Support Services	\$17,155,866	19.0%	\$19,813,235	16.5%	\$13,573,122	20.7%	\$20,461,871	17.6%	\$17,204,336	18.0%
Unallocated Benefits	\$10,165,632	11.3%	\$13,244,437	11.0%	\$6,655,180	10.1%	\$10,589,559	9.1%	\$8,050,556	8.4%
TPAF Pension Contribution	\$1,951,082	2.2%	\$4,156,497	3.5%	\$1,968,955	3.0%	\$3,960,151	3.4%	\$3,043,545	3.2%
Reimb. TPAF SS Contrib.	\$3,272,871	3.6%	\$4,724,065	3.9%	\$2,445,461	3.7%	\$4,462,108	3.8%	\$3,724,602	3.9%
Transportation	\$6,103,759	6.8%	\$5,976,887	5.0%	\$3,171,853	4.8%	\$5,708,379	4.9%	\$6,146,012	6.4%
Capital Outlay	\$1,457,327	1.6%	\$4,409,951	3.7%	\$1,894,387	2.9%	\$1,434,347	1.2%	\$4,244,085	4.4%
Special Schools	\$480,889	0.5%	\$531,972	0.6%	\$0	0.0%	\$413,093	0.4%	\$0	0.0%
Total Gen. Fund Expend.	\$90,164,319		\$120,420,660		\$65,642,611		\$116,260,533		\$95,607,315	
Avg. Daily Enrollment	9,285		12,209		6,534		12,582		10,189	

Source: School district's 1998-99 CAFR and NJDOE Comparative Spending Guide 1999.

Generally district expenditures in the broad categories of instruction, administration, and support services fall in the mid-range when compared with the four selected districts. This is true both in terms of relative percent of the total budget spent on the various categories, as well as, the per pupil costs for these areas.

In the body of the report, comments about specific situations within the instruction, administration, and support services areas can be found.

TABLE 4
Analysis of Similar Districts Using Per Pupil Expenditures and Staffing Data

<u>Indicators</u>	<u>Old Bridge</u>	<u>Woodbridge</u>	<u>Piscataway</u>	<u>Edison</u>	<u>Middletown</u>
DFG	FG	DE	FG	FG	GH
Total Cost Per Pupil	\$7,810	\$8,169	\$8,435	\$7,605	\$7,536
Total Classroom Instruction	\$5,037	\$5,153	\$5,119	\$5,082	\$4,881
Classroom Salaries & Benefits	\$4,837	\$4,957	\$4,894	\$4,948	\$4,702
Classroom General Supplies & Textbooks	\$179	\$191	\$141	\$125	\$169
Classroom Purchased Services & Other	\$21	\$4	\$85	\$9	\$10
Total Support Services	\$774	\$914	\$923	\$743	\$726
Support Services Salaries & Benefits	\$707	\$844	\$837	\$698	\$686
Total Administrative Cost	\$852	\$1,217	\$1,162	\$817	\$831
Salaries & Benefits for Administration	\$738	\$1,064	\$801	\$700	\$712
Operations & Maintenance of Plant	\$981	\$701	\$979	\$856	\$982
Salaries & Benefits for Oper./Maint. of Plant	\$399	\$472	\$538	\$578	\$551
Food Service	\$12	\$31	\$0	\$0	\$0
Extracurricular Cost	\$110	\$117	\$130	\$100	\$115
Equipment	\$113	\$54	\$196	\$42	\$36
Median Teacher Salary	\$62,308	\$62,250	\$63,694	\$66,889	\$50,485
Student/Teacher Ratio	14.5	14.0	14.2	14.3	14.2
Student/Support Service Ratio	125.4	97.2	106.8	126.7	98.7
Median Support Service Salary	\$67,289	\$63,760	\$66,267	\$74,489	\$52,619
Student/Administrator Ratio	224.1	197.5	172.8	238.8	230.8
Median Administrator Salary	\$95,443	\$86,772	\$89,467	\$91,046	\$96,850
Faculty/Administrator Ratio	17.2	16.6	13.8	18.5	18.6
Personal Services % of Total Salaries	20%	19%	16%	15%	16%

Source: NJDOE Comparative Spending Guide 1999 for school year 1998-99. The total cost per pupil here is calculated as the total current expense budget plus certain special revenue funds, particularly early childhood programs, distance learning costs and instructional supplement costs related to servicing the pupils on roll in the district (resident students plus those received from other districts, less those sent out of the district) that are considered comparable among school districts. The calculation excludes transportation costs, residential costs and judgments against the school district. Also, excluded from this per pupil calculation are equipment purchases, facilities acquisition and construction services, expenditures funded by restricted local, state and federal grants, and debt service expenditures.

This chart contrasts Old Bridge spending measured in per pupil amounts with that of the four comparative districts. Generally, median salaries for the different groups, instruction, administration, and support staff, are in the middle of the comparative group.

TABLE 5
Old Bridge Per Pupil Costs and District Rankings Among 85 K-12 Districts
With Enrollments in Excess of 3,500 Pupils

Ranked Low Cost (1) to High Cost (85)	1996-97		1997-98		1998-99	
	Actual	Ranking	Actual	Ranking	Budget	Ranking
Cost Per Pupil	\$7,728	51	\$8,316	47	\$7,810	30
Classroom Instruction	\$5,216	69	\$5,076	59	\$5,037	46
Classroom Salaries & Benefits	\$5,001	70	\$4,864	60	\$4,837	51
General Supplies & Textbook	\$152	35	\$200	54	\$179	37
Purchased Services & Other	\$62	63	\$13	22	\$21	25
Support Services	\$643	29	\$748	26	\$774	19
Support Serv. Salaries & Benefits	\$606	31	\$685	30	\$707	25
Total Administrative Cost	\$731	5	\$838	15	\$852	14
Salaries & Benefits for Admin.	\$607	6	\$710	20	\$738	22
Operations & Maintenance	\$939	53	\$1,054	66	\$981	52
Salary & Benefits for Operation/Maint.	\$416	20	\$429	26	\$399	16
Food Service	\$44	31	\$9	11	\$12	18
Extracurricular Cost	\$103	26	\$104	23	\$110	21
Median Teacher Salary	\$59,175	69	\$59,175	67	\$62,308	75
Median Support Service Salary	\$63,906	67	\$63,906	63	\$67,289	69
Median Administrator Salary	\$90,710	75	\$86,850	53	\$95,443	77

Ranked High Ratio to Low

Student/Administrator Ratio	258	5	232	6	224	14
Faculty/Administrator Ratio	20	2	18	7	17	15

Source: 1999 NJDOE Comparative Spending Guide
Total of 85 School Districts

This table displays three year, per pupil, allocations regarding major budget areas. The three year trend reveals a decline in about one-half of the categories. The remaining items show a trend toward increasing per pupil expenditure or, essentially, a steady level of spending.

When contrasted with the 85 largest K-12 districts, Old Bridge's spending categories generally declined over the three years surveyed. In the few instances of increased rankings, the areas were still among the lowest quartile in spending among the 85 districts.

ADMINISTRATION

Comparative Data

A review of the 1997-98 "Total Expenditures" section from the New Jersey School Boards Association's Cost of Education Index revealed the following per pupil costs for Old Bridge and the other four districts used for comparison in this study:

Old Bridge	\$9,786
Woodbridge	\$9,356
Edison	\$9,382
Piscataway	\$10,170
Middletown (Monmouth County)	\$10,067

LGBR also examined the New Jersey Department of Education's Comparative Spending Guide "Total Cost Per Pupil" for a three year period.

	1996-97	1997-98	1998-99
Old Bridge	\$7,728	\$7,878	\$7,895
Woodbridge	\$7,801	\$7,790	\$8,034
Edison	\$7,246	\$7,557	\$7,649
Piscataway	\$8,028	\$8,010	\$8,240
Middletown	\$7,134	\$7,356	\$7,507

The total cost per pupil amount includes expenditures the department of education considers common to all school districts. It excludes spending for pensions, tuition, transportation, equipment purchases, debt services, etc. Hence, the total expenditure figures are larger than the total cost numbers. However, the relative position of Old Bridge, in the middle of the group, remains the same in both categories, and in line with the comparative districts.

Administrative Staffing

The central administrative office contains the following positions: superintendent of schools, assistant superintendent for personnel, assistant superintendent for business, assistant superintendent for curriculum and instruction. Other administrators located throughout the district include the directors of Administrative Services and Nurses; Athletics; Special Services; English as a Second Language; Bilingual and Basic Skills; High School Activities; and Technology. The technology position was being staffed as the review team exited the district. Seven subject area supervisors have K-12 responsibilities.

Each of the 12 elementary schools has a principal. The enrollments in the elementary schools range from 264 to 574 students. The administrative complement at the two middle schools is a principal and two assistant principals. The high school, with approximately 2,725 students, has a principal, who divides his time between the school's two campus locations. There are three vice-principals stationed at the East Campus and two vice-principals located at West Campus.

Using the New Jersey State Department of Education's Comprehensive Plan for Educational Improvement and Financing guidelines, the Old Bridge central administrative staff is within the parameters established for a district its size. The number of principals and assistant principals is also appropriate, based on CEIFA ratios. The number of clerical staff is within guidelines for a district the size of Old Bridge.

The New Jersey State Department of Education Comparative Spending Guide for the school year 1998-99 shows that the ratio of Old Bridge students to administrators was 224/1. The district had the 14th highest ratio of students to administrators out of 85 districts with 3,500 or more K-12 students.

Administrative Expenses

Old Bridge total administrative costs, as well as administrative salaries and benefits, as reported in the 1998-99 New Jersey School Report Card have been below the state average for the past five years. To examine administrative salary expenses more specifically, LGBR used the New Jersey School Boards Association's Cost of Education Index.

General Administrative Salaries 1997-98 Expenditure Data

	Per Pupil Expenditure	Percent of Total Current Expense Budget
Old Bridge	\$63	.81%
Woodbridge	\$81	1.06%
Piscataway	\$65	.82%
Edison	\$64	.85%
Middletown	\$94	1.28%
New Jersey Average	\$112	
Middlesex County Average	\$85	

Source: New Jersey School Boards Association, 1998-99 Cost of Education Index

In comparing Old Bridge's general administrative salaries with central office salaries in the four comparison districts, Old Bridge was lowest per pupil, as well as, lower than the state and Middlesex County medians.

When looking at the school level administration salaries, Old Bridge falls in the middle of the comparison districts. However, it is lower than the New Jersey and Middlesex county averages.

School Administration Salaries 1997-98 Expenditure Data

	Per Pupil Expenditure	Percent of Total Current Expense Budget
Old Bridge	\$382	4.9%
Woodbridge	\$575	7.5%
Piscataway	\$361	4.5%
Edison	\$396	5.3%
Middletown	\$346	4.7%
New Jersey Average	\$390	
Middlesex County Average	\$405	

Source: New Jersey School Boards Association, 1998-99 Cost of Education Index

Employee medical benefits are discussed, in detail, elsewhere in the report and are not differentiated between instructional staff, administrators, and other staff. In passing, it can be noted that using the Cost of Education Index, Old Bridge's per pupil employee benefits were the most expensive of the five comparison districts and higher than the state and Middlesex County averages. The district has achieved some cost cutting measures and continues to pursue additional savings in this very expensive part of the budget.

TECHNOLOGY

Technology Plan

Providing technology to students is very expensive. Schools spend a great deal on the infrastructure, hardware, software, training, and maintenance. In order to spend effectively, a plan must be developed that provides clear direction for a district-wide technology system. Curriculum should be a vital component of the technology plan. A broad-based committee that includes all levels of staff, a variety of community members and business leaders should develop this plan. The diversity of the committee will help to build consensus and support for the plan, facilitating implementation. The board of education demonstrates support for the plan with its formal approval and financial support. Commitment to the plan will ensure that the district's expenditures for technology are reasonable. Old Bridge needs a viable technology committee that can provide this direction and enhance communication and support for technology in the schools.

The original Old Bridge Technology Committee developed "The Old Bridge Technology Action Plan" in 1997. A small sub-committee developed revisions to the plan and the board approved it in May, 1999. A variety of district staff expressed frustration due to a lack of support for the plan up to this point. There has been a lack of feedback or follow-up regarding the rationale for technology decisions. The technology committee has been inactive for two years.

The technology initiative in Old Bridge needs a leader who will report directly to an assistant superintendent. At the time of this writing, the district was in process of hiring an associate director of technology. LGBR supports the board of education's move to provide a leader, whose sole responsibility will be to direct this important and expensive program. The director should provide the leadership needed to revitalize the technology plan and the technology committee. Managing the technology committee should be part of the director's responsibilities and listed in the job description.

Recommendation:

The Director of Technology, as the district leader for technology should:

- **re-establish a diverse committee for technology;**
- **revitalize the technology plan; and**
- **improve communication between the committee, the administration, and the board of education.**

Hardware

The revised technology plan prioritized the networking of all district computers to provide a district-wide network, access to e-mail, improvements to Internet access, and video and data transmission. During the 1998-99 fiscal year, the district hired a networking consultant to design and to implement the wide area network. In addition, an on site technician has been provided, by subcontracting with the hardware and network installers, to repair all equipment that is out of warranty.

The computer file servers were installed in April, 1999 and have a one-year warranty. The backbone distribution system consists of fiber optic cable and CAT5 wire. The district has a contract dedicated for Internet Access and distribution. A T-1 line exists between sites and to the Internet.

To date, the five high school computer labs and the library at each campus, the two computer rooms and the library at each middle school, and the Miller Elementary School are networked within each building. With the exception of the Miller School, the elementary schools are only networked to a printer. However, the district plans to provide the same technology to all elementary schools. The district operates and provides service contracts for five local area servers: one at each high school campus, one at each middle school, and one at Miller Elementary School.

Since 1997, the Old Bridge School District has been working to improve district technology. The New Jersey State Department of Education's Comprehensive Plan for Educational Improvement and Financing 1996 report recommends that districts should provide one computer per five students. In 1997, the district's ratio was one computer per 15 students, while in 1999, the district improved this ratio to one per 10 students. The district should continue to improve this ratio. LGBR recognizes that ratio reduction is expensive and commends the district for its efforts.

Each elementary school has a computer lab equipped with 15 PCs, a laser printer, and an ink jet color printer. Students in grades one through four have a computer class once a week for half a year, while the fifth graders have class once a week for a full year. The computer teachers travel between two schools. Therefore, each lab is staffed by the computer teacher two or three days a week. The lab, however, is open whether or not the computer teacher is in the building. Teachers can visit the computer lab with their classes, but seldom do. As a result, the computer labs are unused as much as 40% of the time. Although the district should be commended for efficiently staffing the elementary school computer labs, it also seems necessary to find ways to utilize this equipment fully. The district should consider options that would allow the equipment to be more accessible to teachers and students. Aides or volunteers could be used to staff the computer labs.

The computer labs offer after school and evening hours. The high school offers hours every day after school and two evenings a week. At the middle school, students can sign up to use the computer lab after school. The computer labs at the elementary schools offer after school and evening hours twice a week. A notice is sent home for parents to sign and return indicating the desired sessions. A minimum of seventeen participants is required to run these sessions.

During the 1999-00 school year, several of the staff reported chronic problems with the servers, particularly at the high school west campus. During the team's visit, the network was down for two weeks. Many staff described the network as being completely unreliable. It was reported that the technical staff was working diligently to correct problems, but it appeared the solution to one problem only generated another problem. There is one server at each high school campus. If a problem arises, the entire campus is unable to access the network. The district should consider inviting several network consultants and Internet Service Providers to re-evaluate the

Old Bridge network design in order to provide a more reliable, cost-effective system. In addition, the district should assess heating, ventilation and air conditioning and the electrical input into the schools in order to ensure that there is adequate power to support the hardware.

Recommendations:

- 1. The district should consider staffing the computer labs at the elementary schools everyday. This could be achieved by hiring aides or soliciting volunteers.**
- 2. Prior to the purchase of additional equipment, the district should consult with districts in the area that have effective networks and Internet services (suggested models are East Brunswick and Monroe Township School Districts). Subsequently, the district should invite network consultants and Internet providers to:**
 - Evaluate the current system.**
 - Include solutions for the network problems that existed in the 1999-00 school year.**
 - Evaluate existing power supply.**
- 3. The district should provide more training for the elementary teachers, so that they will become confident in using labs to conduct technology-based projects for their classes when the computer teachers are not in the building.**
- 4. It is recommended that the district explore establishing a technology help desk, via the telephone or via the network, to assist in determining if the equipment problem can be resolved by the user or if it needs a work order (suggested models were developed in Elizabeth or Long Branch cities).**

Technical Support

The district operates and maintains over 900 computers for students. One ten-month technician services these computers. This technician is sub-contracted from a local company for \$63,500 annually. Work orders are communicated in a variety of ways. Most elementary computer teachers will call the district accountant, who will log the problems and alert the technician. The middle schools and the high school east campus computer teachers notify the vendor directly, while the high school west campus teachers notify the principal's secretary, who maintains a log and notifies the district accountant. The staff reports that when a problem occurs, the service is timely. However, at the high school, there is concern with the frequency of repeat service requests for the same machines. The staff is frustrated because very often repairs are only temporary. Overall, the staff is concerned with the down time of equipment.

An earlier LBGR review team study was conducted to determine adequate staffing for support of a general organization with a desktop technology system. This system would include a standardized suite of applications, access to file and printer servers, and host-based legacy applications. The study determined that a ratio of technicians to computers should be 1:125. This ratio should be adequate to handle the tasks associated with network administration and computer repairs. Based on this ratio the district would be required to staff a total of 7 full-time technicians. To employ six additional technicians, at a salary of \$40,000 each, plus benefits,

would cost the district in excess of a quarter of a million dollars. This would be very difficult to achieve, due to budget constraints. The review team believes that a district-employed technician would be less expensive than the contracted technician. It is recommended that the district re-evaluate its current contract for technical services and hire one or two full-time technicians. In addition, the hiring of part-time workers could provide supplemental technical staff. Community colleges and universities close by maintain active student career services. Through internships and on campus or on-line recruitment, the district could attract college students, who would be capable of meeting the district's needs for between \$8 and \$17 per hour. The district could also supplement staffing by employing high school students for some technical maintenance.

As the technical support team adds personnel, the need to develop an organizational reporting structure will be more important. All district staff will need to be aware of the technical organizational structure.

Furthermore, with the additional personnel, an efficient work order system will be extremely important. A work order system will ensure that the work is done in a competent, well-organized manner, creating efficiencies in time. Additionally, a database of work orders can be maintained. This will assist the district to more effectively determine technical staffing needs, and will also identify equipment, with high maintenance costs, that need replacement.

Recommendations:

1. It is recommended that the district increase technical services and support. The district might achieve this by:

- **discontinuing the use of sub-contracted technical support;**
- **hiring two full-time district-employed technicians (funding for the full-time employees would require approximately \$40,000 each, plus benefits); and**
- **hiring six part-time student technicians (funding for the part-time technician should be for an average of sixteen hours per week, at a cost to the district of approximately \$63,000).**

Value Added Expense: \$143,000

2. The district should develop, and disseminate, to all staff an organizational reporting chart for the technology department.

3. The district should develop an effective and efficient computer work order system.

Purchasing

Most of the district's computers have been purchased through state contracts. The district has also issued a few Requests for Proposals (RFP) for computer purchases. Because of the network and the need to acquire compatible equipment, the district has felt that it is more likely to purchase equipment using the state contract. With the hiring of a director of technology and district technicians, Old Bridge Schools would have staff with a strong technical background, providing up to date knowledge regarding hardware and maintenance. This expertise should

assist the district in preparing RFP's that are specific and maintain the necessary compatibility. With well-written RFP's, the procurement of equipment, through the bidding process, should result in cost savings.

Staff Development

During the 1999-00 school year, the district made a concentrated effort to provide technical training. The district does by training several staff who, in turn, provide training for other staff during in-service days. In addition, the district should be applauded for providing training through the Middlesex County Educational Technology Training Center (ETTC). This facility, located in the East Brunswick School District, provides an abundance of classes enabling teachers to incorporate technology into the classrooms. These classes are offered at nominal cost affording the district the opportunity to send many teachers for training. LGBR believes that Old Bridge Schools must continue to invest in teacher training in order to ensure that technology is used, and used effectively. If staff development is not a priority, technology will not be used properly, if at all.

Grants

The Old Bridge Schools should be commended for actively pursuing several technology grants. During the 1999-00 school year, Old Bridge received a 43% reduction on the E-rate, resulting in a \$100,000 rebate. The district was awarded \$199,917 through the New Jersey Technology Literacy Challenge Fund, Round III. Additionally, through Distance Learning Network Aid, the district received about \$400,000 from the State of New Jersey.

Business Use of Technology

Old Bridge school administrators and support personnel have access to computers, software programs and databases which are used to deliver services to staff, manage programs, and develop state and federal reports. All PCs have a standard software package that includes word processing, spreadsheet, presentation, and database capabilities. In addition, the district provides access to e-mail. All staff have an e-mail address. Central office personnel are offered technology training twice a year.

The central office uses data processing for budgetary accounting, payroll, personnel, and student record keeping. Overall, the system provides the various modules that the district requires, technical support that is easily accessible and timely, and upgrades every three to four months. Generally, the staff is satisfied with this system.

The LGBR team feels that the transportation department utilizes a software package that is outdated and inaccurate. The mapping module is imprecise. All the reports require mileage. The weakness in the software resulted in more than 300 student records being dumped into an error file. The district is currently evaluating other transportation software. It is suggested that the district replace the current software and network the new software in order to provide improved performance and increased productivity.

The computerization of the maintenance department uses a work order mini-program that is windows-based and is not accessible to the building principals. Consequently, hard copies of the work orders are sent to the central office where a clerk inputs the data. It is suggested that the

maintenance and technology departments collaborate to evaluate current software and to provide it on the district network in order to improve the work order process for both maintenance and computer repair.

The maintenance department would also benefit by utilizing a computerized district maintenance management schedule. This would assist the department in routinely scheduling and executing preventive and general maintenance. Efficiencies may result by merging the maintenance schedule with the work order system.

Communications

<i>Old Bridge Communication Expenses</i>	1996-97	1997-98	1998-99
Total Communication/Telephone Expenses	\$273,140	\$332,516	\$232,686

Source: CAFR

After reviewing three years of communication expenses, LGBR was surprised by the increase in 1997-98 expenses. Investigation revealed that the cause was the installation of phone lines for e-mail access. Furthermore, 18 months of E-rate discounts were received in 1998-99 and, since then, the cost for Internet access has been dropping.

Comparative Communications Telephone Expenses

		Old Bridge (Middlesex)	Woodbridge (Middlesex)	Piscataway (Middlesex)	Edison (Middlesex)	Middletown (Monmouth)
Total Communication Telephone Expenses	1998-99	\$232,686	\$344,653	\$302,872	\$437,177	\$324,218
	1997-98	\$332,516	\$325,691	\$239,436	\$307,331	\$290,967

Source: CAFR

Comparative telephone expenses for the 1997-98 and 1998-99 school years show that each district has experienced some variability. Generally, the Old Bridge School expenses appear to be within the range of the comparable districts.

Cellular Phones

The district has four cellular phones and funds them through an open purchase order for \$3,500 annually. The district monitors cellular phone bills and has eliminated phones in the event of inappropriate use. For the most part, the users self-monitor cell phone use and are able to restrict costs to the basic monthly access and service fees.

Recommendation:

The district should evaluate its use of cellular phones and develop a written policy identifying the appropriate use of these devices.

Pagers

The district provides 25 pagers to district employees; 12 are issued to administrators and supervisors and the remaining 13 are issued to maintenance staff. Based on past errors in billing

and problems with customer service, the district has decided to change carriers. The new service is provided through a state contract, at a cost of \$3.23 per month, per pager. The district should continue to monitor the statements in order to evaluate the pager service annually.

Coin Operated Phones

The district pays for 21 coin operated telephones throughout the district. These phones are provided as a service to employees and the community. The district pays a service fee to the telephone company for the use of the phone. The phone company provides maintenance and repair. Since the 1998-99 fiscal year, the district has spent approximately \$12,000 annually for this service. The district should negotiate with the company to determine if the service fee can be reduced.

Telephones

The Old Bridge School District has over 500 telephone lines used for telephone, facsimile, modem, and alarm purposes. During the last few years, the district has been adding new lines in order to support additional technology. In addition, the district has been upgrading older POTS lines (Plain Old Telephone Service) to upgraded Centrex lines in which the switching occurs at a local telephone station.

The district incorporates restrictions and filters to control the use of the phone lines. However, because of the many changes in the telephone system, the telephone company has altered the status of some of the lines. For example, some lines that were designated as local calls only have been changed to New Jersey only. The district was unaware that these changes occurred. The district should consider an entire system audit and evaluation. The evaluation should include a needs assessment that is supportive of the district's technology plan and should explore service options that improve communication and provide cost savings.

The Old Bridge School District's average monthly telephone expenditure is \$21,000. The district incurs an average monthly \$2,000 charge for message units and a cost for directory assistance of \$500. A district wide evaluation should investigate measures that might minimize these costs.

The district should be commended for its efforts to monitor the bills, particularly long distance calling. The district provides controls by using line restrictions and filters. In addition, most of the staff must go through the main switchboard in order to place a long distance call. The call is recorded into a log that is maintained for a year. This system allows the district to monitor long distance calls and quickly identify abuse. In fact, the district identified long distance calls occurring during the evening and weekends to Honduras and Mexico. These calls were generated from staff employed at night. The district has charged these expenses back to the custodial agency.

The district has a written policy that permits employees to use school telephones for district purposes only. Pay phones are provided at each location for personal use. The policy, however, should be expanded to minimize the use of directory assistance. To implement this change, the district should provide both hard copy and electronic phone directories.

In addition, some phone lines are designated as unrestricted, which allows long distance calls to be placed without accessing the operator. Calls have been identified that are not related to the district. Adherence to the policy here has been lenient. The district should review the policy with all staff, encouraging the use of pay phones or personal calling cards for any long distance personal calls. The district may realize savings of 4% annually or, approximately, \$11,000.

Some of the district's modems incur long distance charges for Internet connection. The district should investigate if the Internet provider has a toll-free access number or consider an alternate Internet provider that does have toll-free access.

Recommendations:

- 1. Because of continued growth in telephone lines and service, the district should consider contacting one or more companies specializing in telephone services to conduct a district-wide telephone audit and evaluation to explore options for cost savings. Telecommunication companies will provide this service free of charge. The district should realize savings of 10% of the annual expenses or approximately \$27,900.**
- 2. The district should review its policy concerning employee use of district phones. Of particular concern, the district should:**
 - Minimize the use of directory assistance by all staff. This could provide savings of approximately \$5,500 annually.**
 - Review the policy with all employees and monitor, carefully, the long distance calls made from lines that are designated unrestricted. This could provide savings of \$11,000.**

Photocopiers

Photocopy machines are a major expense for school districts. It is not unusual for districts to make more than half a million copies a month. During the 1997-98 school year, Old Bridge spent about \$500,000 for copy machines. The district utilizes 72 photocopiers located within the district's schools and central office. Old Bridge Schools owns 21% of these photocopiers and purchases a service contract for most of this equipment. The annual cost for this service contract is \$5,082. Additionally, 36% of the copiers are procured through four or five-year lease agreements that include an option to buy for \$1.00 when the term expires. The remaining 43% are procured through New Jersey's cost-per-copy contract, which is a contract for the copies, not the *copier*. Under this arrangement the vendor provides the agency with a copier for its use; the agency does not rent, lease or buy the copier, but rather purchases the photocopies. All equipment, parts and supplies, with the exception of paper and staples, are included in the monthly charge.

Cost-per-copy contracts typically represent significant cost savings over lease purchase agreements. To compare the cost of the lease versus the cost-per-copy program, it would be necessary to determine the number of copies printed per month. However, the district does not maintain a usage log for the lease copiers. Most of the lease purchase copiers are mid-way through the current lease term. The district should do a cost analysis of the leased machines; by

determining the number of copies printed and calculate a cost per copy based on the lease price. Compare this cost to a comparable cost-per-copy contract. The district should realize savings by replacing the lease purchase agreements with a cost-per-copy contract.

Recommendation:

The district should perform a cost analysis of the lease purchase copiers compared to the copiers under a cost-per-copy contract. Future procurement of copiers should be guided by this analysis.

INSTRUCTION

The Old Bridge school district provides a comprehensive pre-K-12 instructional program for its 9,600 students. The 12 elementary schools, two middle schools and the two-campus high school are somewhat strained for instructional space, due to increasing pupil enrollment which demographic data indicates will continue. New instructional programs and the small size of many elementary schools also cause space problems. An additional handicap is the small size of the campus of most schools, except the high school. These space limits make the expansion of internal instructional facilities difficult and encroach on external instructional spaces that are already very small.

In recent years, the district has taken steps to promote curricular consistency among the elementary and middle schools. Two of the district's goals for 1999-00 were to enhance student performance on a variety of standardized tests and to focus curriculum revision to meet the State of New Jersey Department of Education's Core Curriculum Standards. Curricular equity is important in a large school district such as Old Bridge.

Instructional Expenses

Based on the 1998-99 New Jersey School Boards Association's Cost of Education Index, the instructional staff salaries in Old Bridge, on a per-pupil basis, were the fourth lowest of the comparative group. These Old Bridge costs were above both the state and Middlesex County averages for instructional salaries.

The same relative standing applied if the classroom salaries and benefits section of the New Jersey Department of Education's Comparative Spending Guide was consulted.

**Instruction: Salaries of Teachers
1997-98 Expenditure Data**

	Per Pupil Expenditure	Percent of Total Current Expense Budget
Old Bridge	\$3,235	41.5%
Woodbridge	\$3,390	44.2%
Piscataway	\$3,169	39.8%
Edison	\$3,369	44.8%
Middletown	\$3,284	44.9%
New Jersey Average	\$2,921	
Middlesex County Average	\$2,956	

NOTE: Salaries for special education teachers, basic skill, bilingual teachers, and librarians are not included in the “salaries for teachers” data. Those salaries are reported in separate categories of the Cost of Education Index.

The New Jersey State Department of Education’s Comparative Spending Guide was consulted to compare instructional personnel costs.

**Classroom Salaries and Benefits:
K-12 Districts with 3,501 or more enrollments**

	1996-97 Rank (n=85)	1997-98 Rank (n=85)	1998-99 Rank (n=91)
Old Bridge	\$5,001 = 70	\$4,864 = 60	\$4,821 = 59
Woodbridge	\$4,962 = 69	\$4,755 = 54	\$4,872 = 63
Edison	\$4,692 = 56	\$4,827 = 59	\$4,973 = 70
Piscataway	\$4,732 = 58	\$4,701 = 53	\$4,871 = 62
Middletown	\$4,454 = 44	\$4,609 = 48	\$4,612 = 48
NJ Median K-12	\$4,450	\$4,417	\$4,495

Using the State’s Department of Education’s rankings listed above, Old Bridge is higher than the New Jersey K-12 median in spending on classroom salaries and benefits but, in varying positions, relative to the comparative districts.

Based on data from the New Jersey School Report Card, class sizes in Old Bridge, calculated on homeroom assignments in the secondary schools, were mostly above state averages. The high school was seven pupils per homeroom above state average, the middle schools were approximately five students larger per homeroom than the New Jersey average. In general, the elementary schools were about two or three students above the state average class size.

The 1998-99 Comparative Spending Guide shows that the Old Bridge Schools had a 14.5 student/teacher ratio which provided a ranking of 27th out of 85 K-12 districts with 3,500 or more students. A ranking of “1” means that district had the largest number of students-per-teacher in the group of 85 districts. This ratio is not class size; rather, it represents the total full-time equivalent number of certified classroom teachers divided by the student enrollments reported by the districts. This number does not include counselors, librarians, nurses, child study team members and other educational support personnel.

Measuring Instructional Results

Among results that may be used as measures of instructional success are the number of students passing the state's high school proficiency test, a graduation requirement. The 1997-98 percentage of students passing all sections were: Old Bridge 74.1%, District Factor Group (a grouping of districts with like socio-economic indicators) 82.6%, and New Jersey Average 75.4%.

Results of the Scholastic Aptitude Test taken by potential college applicants, as reported in the New Jersey School Report Card for 1997-98, list the following average scores for the test's subsections:

	Math	Verbal
Old Bridge	525	494
District Factor Group	522	505
New Jersey Average	511	495

In fairness, it should be noted that the test information listed above are one-year "snap shots." Some variation in group test scores can be anticipated from year to year.

Test results are one of a variety of data that can be used to assess learning achievement. Among other indices can be high school student post graduation activities, assessment of student work products, and other items deemed important by the local district and community.

According to the 1997-98 New Jersey School Report Card, Old Bridge High School's drop out rate has averaged slightly below 3% for the past four years. That figure is almost 1% below the New Jersey average.

Special Education

The special education program in the Old Bridge School District is provided to all eligible students preschool to grade 12 throughout the district's 12 elementary schools, two middle schools, and two-campus high school. The district's 1999 Annual Data Report, prepared December 1, 1999, indicates an overall unduplicated count of 1,236 public and nonpublic students with disabilities, ages 3-21. The chart that follows covers special education enrollments and staffing for the past four years:

Special Education Enrollments & Staffing

Student Enrollments	1996-97	1997-98	1998-99	1999-00
District Enrollment	9,140	9,252	9,426	9,700
Special Education Enrollment*	875	849	822	829
Child Study Team Classified	9.6%	9.2%	8.7%	8.5%
Special Education Teachers/Aides				
Special Class Teachers	21	18	19	17
Resource Program Teachers	71	72	68	68
Preschool Teachers	3	3	3	3
Teacher Aides	39	36	35	36
Total	134	129	125	124
Child Study Team				
School Psychologists	8	8	8	8
Social Workers	9	7	6	6
LD-TCs	8	8	7	7
Total	25	23	21	21
Speech Therapy Enrollments				
Speech Only	324	318	303	313
Speech/Language Correction	313	284	286	282
Total	637	602	589	595
Speech/Language Specialists	10	10	10	10

Source: District's Annual Data Report and ASSA Report

*Non-public and Speech Only Students Excluded.

The overall number and percentage of child study team classified students with disabilities has declined since 1996-97, even though school enrollments have steadily increased over the same period of time. A corresponding decline in special education instructional and child study team staff members has also kept pace within this same time period.

The district's special education program options include special class programs, resource programs, and out-of-district placements. Other related services provided by the district include developmental, corrective, and other supportive services required to assist students with a disability, as specified in the student's Individualized Education Program (IEP) as a required component of a Free Appropriate Public Education (FAPE). They include speech services, occupational therapy, physical therapy, medical services for diagnostic or evaluation purposes, assistive technology, counseling, etc.

The placement of students with disabilities in appropriate settings is an integral part of the Individuals with Disabilities Education Act (IDEA). A cornerstone of this federal mandate is placement in the least restrictive environment and a major component of this requirement is to educate students with disabilities to the maximum extent appropriate with students who are not disabled. In light of the new federal reauthorization amendments and state requirements, the Old

Bridge School District started reducing the number of self-contained classes commencing with the 1995-96 school year, as the district moved toward more inclusive and least restrictive programs as set forth by these regulations.

Self-contained Special Class Programs

For the 1999-00 school year, the district is conducting 20 special class programs (Table 1) for 172 students and 68 resource programs (Table 2) for 549 students.

**Self-Contained Special Class Programs (Table 1)
December 1, 1999**

Elementary School	Class Type	Age Range	Allowable Class Size	Class Size with Aide	Students Enrolled	Aide in Class	Aide Required	Available Space
Carpenter	PD	3-5	8	12 (2 Aides)	12/8 (AM/PM)	2	Yes	4 (PM)
Carpenter	PD	3-5	8	12 (2 Aides)	4 (Full Day)	2	Yes*	4
Cooper	LD	8-11	10	16	7	0		3
McDivitt	PD	3-5	8	12	9/8 (AM/PM)	2	Yes	3(AM)/4(PM)
McDivitt	CM	5-8	12	16	6	1	Yes*	6
McDivitt	CM	8-10	12	16	5	1	Yes*	7
McDivitt	LD	5-7	10	16	7	1	Yes*	3
McDivitt	LD	7-10	10	16	12	1	Yes	4
Memorial	LD	7-9	10	16	9	1	Yes*	1
Memorial	LD	9-11	10	16	7	1	No	9
Schirra	LD	6-8	10	16	8	1	No	8
Sheppard	LD	7-9	10	16	6	1	No	10
Sheppard	LD	8-11	10	16	12	1	Yes	4
Southwood	LD	8-11	10	16	6	0		4
Voorhees	LD	5-7	10	16	6	1	Yes*	4
Voorhees	LD	8-11	10	16	4	0		6
Salk	LD	11-13	10	16	8	1	Yes*	2
Sandberg	LD	11-13	10	16	10	1	Yes*	0
Sandberg	LD	11-13	10	16	9	0		1
Sandberg	CM	11-13	12	16	9	1	Yes*	3
Total	20				172	19		90

Class Type Definitions: PD-Preschool Disabilities; LD-Learning and/or Language Disabilities; CM-Cognitively Impaired-Mild

*Program/IEP: Certain program conditions or IEP requirements may call for aide assistance beyond allowable class size mandates such as:

- accompanying and assisting severely disabled students to special programs, i.e., art, music, etc., dependent on regular class schedules;
- multi-grade mixed classifications, for example, former Neurologically and Perceptually Impaired classes are now known as Learning/Language Disabilities classes;
- younger more disabled students not toilet trained;
- one on one aide assignments via IEP recommendations;
- transition needs of certain students moving from preschool to kindergarten; and,
- programs developed for autistic students only (full-day preschool) that require more adult individual attention.

The available space indicates a potential for the district to accommodate an additional 90 K-8 elementary students in these self-contained classes with the existing personnel, based on

allowable instructional group sizes with or without classroom aide assignments. The review team recognizes, as enumerated above, the difficulties of filling every special education classroom to maximum capacity and that special or extraordinary conditions may exist that the CST may find more beneficial when the functioning of the class as a whole is considered. However, it is essential that this area be annually examined so that the district's resources are fully utilized. In order to be more cost effective the district should consider the following recommendation(s):

- Consolidate more of the Learning and/or Language Disabilities classes within appropriate age ranges. The district presently has established transportation routes to move students out of their neighborhood schools in order to provide special education programs.
- Reduce the number of special education aides where they are not required.
- Consider the admission of out of district students to the district's special education programs. This tuition could bring substantial revenue to the district.

Recommendations:

At the time of this report, the review team found one LD class could be consolidated and three special education teacher aides were not required, based on student enrollments versus class size allowances for the district's elementary self-contained special education program. The consolidating of one LD class with students in the same age range (8 to 11) could save the district one teacher's salary plus benefits, for a savings of \$43,700 and free up a classroom for other usage. If the three paraprofessional aides' positions were not filled, the savings would be approximately \$40,950.

Potential Cost Savings: \$84,650

Resource Programs

Resource programs conducted by sixty-eight teachers include in-class support and both pullout replacement and support type classes and are the district's major program emphasis for learning disabled students. The resource program in-class and replacement subjects mainly include language arts, reading, mathematics, science, and social studies. Seven special education aides are assigned to middle and high school classes, based on class size enrollments. Old Bridge has set in motion a policy of inclusion – enabling children with special needs to succeed in a regular classroom, which takes a cooperative effort by students and parents, as well as, all of a school's teachers and administrators. To accomplish this, a resource in-class support teacher works with the regular classroom teacher to help special needs students keep up with the subjects being taught. The regular classroom teacher is responsible for the lesson but, is in continuous communication with the in-class support teacher, so both understand what students should learn from the lesson. The district plans to expand this teaching practice. Resource pullout replacement classes are the mainstay of the special education program. In this regard, the general education curriculum may be modified based on the student's IEP. The resource program teacher has primary instructional responsibility for the student in the program and determines the student's report card grades and subject achievement. Single subject classes with no aides have an allowable group size of six students on the elementary level and nine students

on the secondary level. At the elementary level, the program may be provided for up to one half of the school day and at the secondary level, up to the entire school day. Table 2 illustrates pullout class enrollments for this school year:

Resource Programs (Table 2)
December 1, 1999

School	Number of Teachers	Number of Students
Carpenter	.5	5
Cheesequake	1	9
Cooper	1.5	8
Grissom	1	8
Madison Park	1.5	10
McDivitt	1.5	8
Memorial	3	24
Miller	1	9
Schirra	1	11
Sheppard	1	8
Southwood	2	11
Voorhees	2	21
Salk	13	93
Sandburg	14	91
High School East	15	113
High School West	9	120
Totals	68	549

Student/teacher ratio enrollments appear to be low, but the circumstances listed below need to be understood and considered:

- elementary resource program services are provided in neighborhood schools almost exclusively;
- group size allowance;
- age range; and
- scheduling of special program areas, i.e. fine arts, music, physical/health education, industrial arts, home economics, lunch, foreign languages, library time, computer lab, etc. heavily impact on the provision of pullout type services.

It should also be noted that a vast majority of resource program pullout students are receiving multiple replacement subjects, some as many as four subjects over the course of the school day. To find economies in this area, the district needs to explore more general education instructional programs where students with disabilities can attend with appropriate support.

Out-of-District Placements

For the 1998-99 school year, the average special education out-of-district tuition and transportation costs for a public school placement was \$34,703; a county special services/regional day school placement was \$34,084; and a private school placement was \$42,517, resulting in an average overall cost by school type of \$41,049. See chart below:

Out-of-District Placements Costs Special Education 1998-99

School Type	Number of Students	Tuition Costs	Transportation Costs	Total Cost by School Type
Public Schools	17	\$396,081	\$193,867	\$589,948
CSS/RD Schools	2	\$48,169	\$19,998	\$68,167
Private Schools	83	\$3,040,151	\$488,768	\$3,528,919
TOTAL	102	\$3,484,401	\$702,633	\$4,187,034

Source: District's Expenditure Account Totals Report 6/30/99

The out-of-district special education program tuition costs for the 1997-98 school year were as follows: Public Schools - \$455,267; CSS/RD Schools - \$53,832; and Private Schools - \$2,524,058 for a total of \$3,033,157. The 1998-99 special education tuition placement costs increased approximately 15% compared to the previous year. A related cost factor incorporated within the out-of-district tuition expenditures includes extended school year programs. An extended school year program provides for the extension of special education and related services beyond the regular school year. An extended school year program is made available, in accordance with the student's IEP, when an interruption in educational training causes the student's performance to revert to a lower level of functioning and recoupment cannot be expected in an acceptable span of time. The summer extension costs were \$242,619 in 1997-98 and \$283,292 in 1998-99.

It should also be noted that in 1998-99, out-of-district placement of regular education students to alternative school programs amounted to \$107,494, as compared to \$42,461 for the previous year. Additionally, state facilities placement for nine students (one DYFS residential and eight correctional) cost \$97,477 in 1998-99. Consequently, total out of district tuition placements amounted to \$3,693,737 for the 1998-99 school year.

Recommendations:

LGBR supports the district's efforts to educate its students with disabilities in the least restrictive environment. Studies show that inclusion increases the academic performance and social behavior of students with special needs. Inclusion creates a community that includes students in the regular classroom, special needs students, teachers and administrators, all functioning in a less restrictive classroom environment, that enables students with some learning disabilities to succeed in the mainstream.

One axiom of IDEA is to place students with learning disabilities, to the maximum extent appropriate, with non-disabled students. General education programs that can be conducted by regular education teachers, with supplemental aids and services, need to be incorporated within the district's overall curriculum offerings.

Additional space was available in the elementary schools special class programs. The district should consider consolidating classes where possible and/or opening its door to invite other district's tuition students to participate in its programs. Consolidation of existing classes and enrollment of other districts' students could afford savings, or generate additional revenue, or both.

Child Study Team

The Director of Special Services supervises the district's twenty one-member child study team as well as ten speech/language specialists. Seven secretarial staff are assigned to the department, five are assigned to the child study teams, and two are responsible for all administrative needs. The director does not oversee or evaluate the special education teaching staff; this responsibility lies with the building principals. Two special education teachers are employed in each of the two middle schools as subject area coordinators. They assist in the coordination of the instructional program and aid the building principal regarding the recommendation of materials, supplies, and equipment to be ordered as well as the coordination of in-service activities. They receive a stipend paid from IDEA funds and have no duty period assignments. A recommendation to expand this position to the two high school campuses has been approved; IDEA carry-over funds will be utilized to fund these positions. A third party provides occupational therapy and physical therapy related services. The director determines student/building service assignments based on student IEP needs. Building sign in/out forms and student roster schedules, with attendance, are maintained and forwarded to the director for monthly purchase order payments. Some schools do not have adequate space for these activities. Building principals are trying to rectify this situation by reassigning room areas throughout the daily schedule. The district currently employs eight school psychologists, six social workers, and seven learning disabilities-teacher consultant child study team members. These staff members are organized into building teams and assigned to multiple schools throughout the district. Child Study Team (CST) members are ten month employees. Summer work for three teams and one speech/language specialist is budgeted at the district's home instruction hourly rate, utilizing a flexible schedule spread over July and August. End of the year referral evaluation completions, program eligibility of summer transfers, availability for emergency situations, and determination of first time preschool handicapped students in preparation for the new school year are major summer activities. Work schedules and case completions are monitored by the director who submits payroll approvals. CST members are also available to assist with summer preschool disabilities program for significantly impaired students who would substantially regress in their educational program without summer school. CST members must meet with the director and submit written rationale for those students being considered for out-of-district placement, and to discuss and substantiate that all in-district resources and options were considered, before teams proceed with the parents to determine the least restrictive educational program for each classified student.

The director also prepares and manages the Individuals with Disabilities Education Act (IDEA), Part B grants which generate federal entitlement funds to the district. The preschool grant provides for the salary and employee benefits for one preschool teacher. The basic grant provides for approximately 80 to 90% of salaries and employee benefits for the director, six CST members, three special education teachers, two teacher aides, as well as providing stipends for the special education coordinator's, supplies, equipment and staff development. IDEA, Part B grants funds for fiscal year 2000 totaled \$826,211.

A total of 595 students were eligible for both speech/language correction related services (282) and speech-only (313) services. Six speech/language specialists are split-assigned to multiple district schools and four specialists are employed full-time in the Carpenter, Memorial, McDivitt, and Voorhees Elementary Schools. School program personnel also provide speech reevaluation services for students placed out of district. The use of district speech correctionists to provide these services is a cost savings practice since this evaluative procedure can be an additional cost factor above normal tuition charges. This practice also aids district speech personnel to actively participate with out of district program staff members regarding program implementation progress and student levels of performance. Speech services are based on individual student needs; they range from one time per week to four times per week with varied time allotments. These services can include group or individual sessions.

A comparative analysis of special education student enrollments and of the scope of child study team and speech services is displayed in the following chart:

Enrollments & Child Study Team/Speech Classification Rates

Comparative Districts	1996-97	1997-98	1998-99	1999-00
<u>OLD BRIDGE</u>				
Total Enrollment	9,140	9,252	9,426	9,700
Speech Rate	3.5	3.4	3.2	3.2
CST Rate	9.6	9.2	8.7	8.5
<u>EDISON</u>				
Total Enrollment	12,769.5	12,474	12,622	12,698
Speech Rate	2.7	2.7	2.5	2.4
CST Rate	9.5	10.1	11.2	11.2
<u>MIDDLETOWN</u>				
Total Enrollment	10,018.5	10,159	10,179	10,350
Speech Rate	2.3	2.3	2.7	2.5
CST Rate	13.2	13.1	13.8	13.7
<u>PISCATAWAY</u>				
Total Enrollment	6,380.5	6,504	6,662	6,679
Speech Rate	2.4	2.2	1.7	1.5
CST Rate	11.5	12.4	12.9	13.1
<u>WOODBRIIDGE</u>				
Total Enrollment	11,944	12,221	12,400	12,750
Speech Rate	3.5	3.6	3.0	2.4
CST Rate	10.9	11.3	11.1	11.6
<u>NEW JERSEY</u>				
Number of Districts	588	588	612	635
Enrollment in 1,000s	1,220	1,239	1,266	1,293
Speech Rate	3.2	3.1	2.8	2.5
CST Rate	12.0	12.1	12.4	12.8

Source: Application for State Aid (ASSA) for resident enrollment; Annual Data Report.

Speech & CST Classification Rates: Percentages are calculated by dividing the public special education enrollment (Annual Data Report) by the resident public school enrollment (ASSA) for each group. State enrollments include non-operating, vocational and charter schools.

The Child Study Team Classification Rate has continued to decline since the 1996-97 school year and is appreciably lower than the comparative districts and state averages for the years illustrated. Speech rate is somewhat higher than comparative districts and state averages.

The district's Special Education End of the Year Report covers initial classifications, reevaluations, home instruction directed by the CST, and exiting basis of learning disabled students. This information is illustrated below:

Category	1997-98	1998-99
Number Identified for CST Evaluation	96	122
Initial Classification	83	88
Reevaluations	281	214
Home Instruction by CST	5	13
Return to Regular Education	0	3
Graduated from High School	52	59
Moved (Age 14-21)	29	21
Dropped Out (Age 16-21)	16	19

In 1997-98, the percentage identified for a child study team evaluation was 1%, as compared with the state's average rate of 2.4%. The percent identified was calculated by dividing the number of resident pupils identified for CST evaluation by the resident enrollment. The percentage of enrollment for those newly classified was 0.9%, as compared to the state's average rate of 1.6%. For the 1998-99 school year, an additional twenty-six students were identified for CST evaluation over the previous year. However, the percent of newly classified students (88) remained at 0.9%.

Several factors contribute to the district's reduction of the CST rate. The advent of new special education code changes with improved criteria for determining eligibility has given child study team members an opportunity to refocus on disabilities that adversely affect a student's educational performance as defined in N.J.A.C. 6A:14-3.5. The district has also extended the services of both school social workers and school psychologists to provide intervention services to non-disabled general education students, particularly at the elementary level. These services include running group programs to advance strategies for anger management and conflict resolution. The district conducts appropriate child find activities to identify students with disabilities.

The following charts reference various cost comparison areas:

Old Bridge Special Education District Cost Comparisons

General Fund	1996-97	1997-98	1998-99
Instructional Services	\$6,135,275	\$5,200,678	\$5,361,544
Related Services	\$569,799	\$597,553	\$850,151
Extraordinary Services	\$295,229	\$311,409	\$156,478
Special Services	\$1,341,725	\$1,308,952	\$1,333,055
Out of District Tuition	\$2,699,313	\$3,033,157	\$3,484,401
Transportation Services	\$1,896,354	\$1,841,637	\$1,857,960
Total	\$12,937,695	\$12,293,386	\$13,043,589

Source: Districts Comprehensive Annual Financial Report (CAFR)

Special Education Expenditure Comparisons 1998-99

General Fund	Old Bridge	Edison	Middletown	Piscataway	Woodbridge
Instructional Services	\$5,361,544	\$7,210,075	\$6,940,059	\$4,498,950	\$7,025,841
Related Services	\$850,151	\$770,219	\$611,343	\$488,789	\$662,587
Extraordinary Services	\$156,478	N/A	N/A	\$25,005	\$1,127,683
Special Services	\$1,333,055	\$2,095,488	\$1,965,772	\$1,444,172	\$2,181,430
Out of District Tuition	\$3,484,401	\$5,998,132	\$2,445,545	\$2,686,695	\$3,878,142
Transportation Services	\$1,857,960	\$2,689,004	\$2,471,592	\$1,428,882	\$1,389,512
TOTAL	\$13,043,589	\$18,762,918	\$14,434,311	\$10,572,493	\$16,265,195
Resident Enrollment	9,426	12,622	10,179	6,662	12,400
Cost Per Student	\$1,384	\$1,487	\$1,418	\$1,587	\$1,312

Source: Districts Comprehensive Annual Financial Report (CAFR); Application for State School Aid (ASSA) for resident enrollment.

The district is cognizant of changing student enrollment patterns, as they apply to its students with disabilities and child study team services area, and has adjusted staffing needs and program services, accordingly, over the years.

The subject area coordinator positions, with stipends, are a cost-effective way to handle middle school and high school supervision of the special education program and staff rather than creating additional administrative positions.

The use of IDEA grant funds to supplement salaries and benefits for special education new employees, when warranted, should be continued as a cost-effective practice within the district's overall local program budgeting efforts.

Recommendations:

The Director of Special Services job description needs updating. It was last adopted on August 30, 1994. It should specify the specific staff positions/titles that are supervised, not just "other professional and non-professional staff."

The subject area coordinator's job description is not approved by the board of education. It may be an unrecognized title. The board of education should verify this position title and description with the county superintendent's office before adoption. It appears to LGBR that official board of education approval of the job description should be done.

Basic Skills

The Basic Skills Improvement Program (BSIP) is a state-mandated remedial program designed to address identified student needs in the areas of reading, writing, and mathematics. Local funds as well as state (Demonstrably Effective Program Aid and Instructional Supplement Aid) and federal (Title I) funds support BSIP. These funds are used to create a supplemental program for students in grades K-12. Standardized achievement tests scores, as well as affective, social/health, and psychomotor needs assessments, and teacher recommendations determine student identification and exit criteria for the basic skills program. The TerraNova testing

program is used in grades 1, 2, 3, 5, 6, 7, 9, and 10. Presently the district utilizes the state's Minimum Levels of Proficiency (MLP) scores for placement purposes. However, administrative and program staff are reviewing this area and plan to determine locally based cutoff scores for future testing needs. State mandated testing programs results for grades 4, 8, and 11 are employed, and student participation is primarily based on those students who score in the "partially proficient" band.

The elementary BSIP reading Early Success component is offered five days per week in first grade and three days per week in second and third grade to small groups of students. Grade one students also participate in literacy groups five days per week. Grades four and five receive supplemental reading two times per week. Instructional sessions are generally one-half hour long. All students return to their regular classes for additional language arts instruction. The elementary basic skills mathematics component utilizes classroom paraprofessional aides to assist the regular teacher for inclusion instruction for grades one, two, and three and pull-out replacement instruction five days per week by the basic skills teacher for grades four and five. Students usually are assigned to these classes for a year or more, depending on their need for support. At the middle school level all BSI math and language arts programs are supplemental pull-out programs conducted two to three periods a week. In the high school, replacement reading and mathematics full credit courses of individualized and small group instruction for students in need of basic skills instruction is provided in addition to regular English and mathematics requirements. Seniors who do not pass the High School Proficiency Test (HSPT) participate in the Special Review Assessment (SRA) process. These SRA classes are conducted by BSIP staff who provides instruction and practice for the students prior to the formal SRA process. Forty-one students are involved in this procedure for the 1999-00 school year.

The number of eligible basic skills students has steadily increased since the 1997-98 school year as listed below:

BASIC SKILLS ENROLLMENTS

	1997-98	1998-99	1999-00
Elementary Schools	443	486	560
Middle Schools	345	365	353
High School	432	474	497
TOTAL	1,220	1,325	1,410

The Director of Basic Skills Improvement/English as A Second Language/Bilingual Programs coordinates and supervises all related program activities. Major duties include school staff assignments, curriculum planning, program grant writing and budgeting, federal and state reporting, and staff evaluations. For the 1999-00 school year, the district's basic skills instruction program employs 15 full-time teachers in the elementary schools, seven teachers in the middle school, and 11 teachers in the high school. Twenty-four BSIP paraprofessional aides are employed throughout the district's elementary schools. The following tables provide a breakdown by school of the approximate number of students who are receiving basic skills instruction for the 1999-00 school year:

Elementary Schools (Grades 1-5)

Carpenter	Cheesequake	Cooper	Grissom	Madison Park	McDivitt
29	44	34	32	67	65

Memorial	Miller	Schirra	Shepard	Southwood	Voorhees
66	33	51	33	55	51

Note: Recommended kindergarten students participate in a Kindergarten Extended Day (KED) program in groups of ten for one hour each week between the AM and PM sessions. Basic skills are taught within the context of children's literature and regular classroom activities support and supplement the program.

Salk Middle School	Sandburg Middle School	High School East	High School West
144	209	292	205

An analysis of district Basic Skills/Remedial actual instruction costs for the 1996-97 through the 1998-99 school years is listed below:

BSIP Costs

General Fund	1996-97	1997-98	1998-99
Teacher Salaries	\$1,641,465	\$1,200,056	\$1,301,980
Aide Salaries	\$290,469	\$272,083	\$179,335
Purchased Services	\$831	\$606	\$1,657
Supplies	\$42,001	\$50,636	\$33,389
Textbooks	\$4,000	\$4,903	\$3,419
TOTAL	\$1,978,767	\$1,528,284	\$1,519,780

Source: Districts Comprehensive Annual Financial Report (CAFR)

The district also receives federal (Title I) and state (DEPA and Supplemental) grant funds to support the Basic Skills/Remedial program. For the 1998-99 school year these funds totaled \$2,444,129. Salaries and employee benefits for eight teachers and eleven paraprofessional aides are paid from these funds.

Based on the comparison districts selected for this report, Old Bridge falls in the middle on its cost per student spending, as illustrated below:

Basic Skills/Remedial General Fund 1998-99

	Old Bridge	Edison	Middletown	Piscataway	Woodbridge
Total Cost	\$1,519,780	\$2,580,884	\$828,486	\$1,095,535	\$377,329
Enrollment	9,426	12,622	10,179	6,662	12,400
Cost Per Student	\$161	\$204	\$81	\$164	\$30

97.5% of Old Bridge BSIP costs are for salaries.

Although basic skills student enrollments have been increasing, general fund program costs have decreased and remain rather stable. This is largely due to the non-replacement of retired and resigned staff members and the use of increased grant funds for program operations. Obviously, instructional programs that offer small classes will be more expensive than general education classes. Present staffing level appears adequate; however, the district will need to carefully assess this area regarding future student needs and program effectiveness in order to be as cost effective as possible.

Bilingual/English as a Second Language

The English as a Second Language (ESL) and Bilingual programs are state-mandated programs designed to meet the needs of students whose dominant language is other than English and whose proficiency in English is limited. Largely local funds and state bilingual categorical aid support the program.

The ESL/Bilingual program is designed to provide developmental English language instruction, including academic skills, in order to prepare students to function in mainstream classes. Upon student registration at the home school, a Home Language Survey form indicating the student's first language and the language spoken in the home is reviewed by the ESL teacher. If warranted, an elementary student will be tested with the Language Assessment Battery (LAB) and high school students will be tested with the Maculaitis Assessment Program (MAC) for language proficiency. State cutoff scores are used to determine limited English proficiency (LEP) eligibility. Parents are notified by letter of participation in both the home language and in English. The Old Bridge Public Schools employ a magnet school system for the grouping of ESL and Bilingual elementary students. All LEP students must register in their home school and may be transferred to a magnet school for program participation. Seven elementary buildings have been designated as magnet schools serving all twelve K-5 schools, and one middle school serves both buildings.

The district's Director of Basic Skills Improvement/English as a Second Language/Bilingual Programs coordinates and supervises the program. For the 1999-00 school year, 14 full-time teachers (12 ESL-certified and two Bilingual/ESL dual certified) and three paraprofessional aides were employed and 292 LEP students (249 in 1997-98) representing 33 native languages were enrolled throughout the district. LEP student counts were:

LEP Student Grade Enrollment 1999-00

K	1	2	3	4	5	6	7	8	9	10	11	12	Total
72	49	34	16	17	14	14	11	10	13	17	14	11	292

It should be noted that 1,375 Non-LEP students representing 58 native languages also attend the district schools. Both the ESL and Bilingual curriculums have been appropriately modified and are aligned with the state department's Core Curriculum Content Standards and the ESL Standards for Pre-K-12 students.

ESL

An ESL program must be provided whenever there are 10 or more students in the district whose native language is not English and who have sufficient difficulty speaking, reading, writing or understanding the English language. Participating students in grades K-12 receive a minimum of one period of ESL instruction daily. Each student's program is individualized to meet the needs, interests, and abilities of the LEP student. Factors considered include age, previous school(s) attended, literacy level, home language, and culture.

Bilingual Education

Programs of bilingual education are required whenever there are 20 or more students of limited English proficiency from the same language background enrolled in the district. Due to demographic constraints, the elementary bilingual programs are part-time and set up in a non-traditional manner, with appropriate state department of education waivers. For the 1999-00 school year, bilingual programs for Spanish, Urdu, and Gujarati speaking students were conducted. These students were placed in regular mainstream classrooms but were pulled out for bilingual instruction, with the addition of intensified ESL instruction. Bilingual and ESL teachers confer on a regular basis with the general education teachers regarding individual student progress and offer ongoing support for the provision of needed effective instruction. Since there is a limited number of students at the middle and high schools, two periods of high intensity ESL is scheduled. One period provides for ESL instruction and one period concentrates on tutoring in content area subjects as needed.

Procedures for the exiting of ESL or bilingual students have been established. Annual testing is conducted at the end of each school year regarding program continuance and evaluation. The following information is reviewed for possible program withdrawal: score on the LAB or MAC tests, regular classroom achievement, reading level in English, performance on local and state standardized tests, general education teacher(s) recommendation, and ESL/Bilingual teacher(s) recommendation.

Program district costs and comparative district cost are illustrated in the below charts:

Bilingual Education Costs

General Fund	1996-97	1997-98	1998-99
Teacher Salaries	\$808,718	\$877,100	\$893,239
Aide Salaries	\$77,540	\$34,873	\$36,609
Purchased Services	\$604	\$1,259	\$622
Supplies	\$14,094	\$15,062	\$16,469
Textbooks	\$2,959	\$3,458	\$2,503
TOTAL	\$903,915	\$931,751	\$949,443

Source: Districts Comprehensive Annual Financial Report (CAFR)

Teacher and aide staffing levels have remained constant from 1997-98 through 1999-00. Staff salaries represent 98% of local program costs.

**Bilingual Education
Comparative Costs
1998-99**

	Old Bridge	Edison	Middletown	Piscataway	Woodbridge
Total Cost	\$949,443	\$1,192,801	\$0	\$797,126	\$757,910
Enrollment	9,426	12,622	10,179	6,662	12,400
Cost Per Student	\$101	\$95	\$0	\$120	\$61

For the 1998-99 school year, Bilingual Education costs represented 1.1% of the district's budget. The same program costs for the above comparative districts were: Edison-1.0%, Piscataway-1.2%, and Woodbridge-0.6%.

The number and diversity of non-English speaking families is steadily increasing in the community. District data indicates that 81.2% of LEP students attend the elementary schools (Grades K- 8). The establishment of a magnet school approach to serve this student population is a cost efficient method and is commendable.

Guidance

The Old Bridge School District provides a guidance and counseling program for all students in grades 6-12, under the direction of the Supervisor of Guidance. Departmental coverage incorporates a two-campus high school program. The East Campus serves grades 9 and 10, with two counselors assigned for each grade level, plus a career counselor, whose case load is approximately one-fourth of the school population and who, also, provides career counseling services to the West Campus. The East Campus department employs one secretary and two clerks, whose responsibilities include reception, registrar, and regular office duties. The West Campus serves grades 11 and 12, with two counselors assigned to each grade plus a college counselor, whose case load is the top 25% of the senior class identified in the junior year, based on class rank. The college counselor's unique assignment is based on departmental experience: 1) the counselor works with the top 25% senior students who submit the most college applications; 2) he serves in a consultant-type role to the other two senior counselors regarding their students who are pursuing post-secondary education; and, 3) he offers stability within the department since his services are concentrated on seniors only. The remaining counselors' student assignments are alphabetical by grade and they rotate from the East to the West Campus, starting with the each freshman class. The West Campus department employs one secretary and five clerical staff members; whose responsibilities include reception, registrar and transcript preparation, as well as, regular office duties. The Jonas Salk Middle School employees three counselors. The Carl Sandburg Middle School employees two full-time counselors and two part-time counselors (one for the a.m. and one for the p.m. sessions). This part-time arrangement allows for the morning counselor to conduct association business as president of the union (in accordance with the negotiated agreement) in the afternoon; the afternoon counselor is a special education teacher in the morning. The middle school guidance department employs one secretary for each school. All students are assigned to counselors alphabetically, and continue with same counselor throughout their middle school years.

The department supervisor is a 10-month employee, who supervises and evaluates the district's guidance and student assistance programs. He also oversees the district's Peer Leadership program. He has offices in both high school campus sites and is scheduled to cover the two buildings throughout the week, as well as, the two middle schools one half-day per week. His assignment also includes assisting the Director of Title I/ESL/Basic Skills, who, also, has responsibility for the districts testing program. The supervisor of guidance assists with all aspects of the state testing program, which includes the Elementary School Proficiency Assessment (ESPA), Grade Eight Proficiency Assessment (GEPA), and the High School Proficiency Assessment (HSPA) and is directly responsible for the administrative procedures of the district's annual needs assessment program (TerraNova) for grades 9 and 10.

The high school guidance program offers many services to students, ensuring that problems are identified and addressed, that students are afforded an opportunity to examine their interests and aptitudes, and that optimum higher education and career planning is provided to each student. The department's College/Career Center has purchased a comprehensive computerized internet-ready Education and Career Opportunities System (ECOS), available in the computer lab room at the West Campus. This program allows students to work with their counselor and/or independently, by accessing the system either from home, the public library, or the school computers. The program allows the student to explore careers and majors, choose the right post-secondary school, compose a resume, complete on-line college applications, search for financial aid and scholarships, and apply for a job. Parents are actively involved in developing post high school plans. Various informational and counseling programs are provided to small student groups, as well as, to individuals to ensure that student needs are met. Other departmental services include the provision of home instruction and the issuance of working papers.

The middle school counseling program focuses primarily on self-esteem through individual and group sessions involving personal/social development, which include the acquisition of skills, attitudes and knowledge to help students understand and respect self and others, acquire effective interpersonal skills, and to understand and practice safety and survival skills.

The New Jersey Department of Education's Comprehensive Plan for Educational Improvement and Financing recommends the following ratios of counselors to students based upon grade level: High School 1:225 and Middle School 1:337. For the 1999-00 school year, the High School enrollment of 2,650 students equates to a ratio of 1:265 and the two Middle School enrollments of 2,348 students equates to a ratio of 1:391. Counselor/student ratios are higher than recommended state guidelines, but within reasonable range.

The department employs two full-time Substance Awareness Counselors (SAC). One counselor, whose salary is partially funded (57%) through the district's Title IV Drug and Alcohol Grant, also acts as Coordinator for the Student Assistance Program for a stipend, and is assigned to the High School East campus and the Carl Sandburg Middle School. The second counselor is assigned to the High School West campus and the Jonas Salk Middle School. Middle school coverage is one day per week, every other week. The Student Assistance Program, which deals not only with substance abuse, but also high risk behaviors, serves as a systematic effort to help students understand themselves, while helping them to accept responsibility for their own actions. The program involves early identification of problem behavior by specially trained

staff, thorough counselor assessment, and appropriate referral and follow-up. The SAC's handle, approximately, 80 to 95 cases each at the high school level and each case is handled on an individual basis. Some are managed entirely within the school; others are referred to outside providers, e.g., private physicians, and outpatient and residential treatment centers. Both SAC's chair the high school and middle schools Core Teams, comprised of various staff members, who meet weekly to assist the schools with ways to help students who are having school related problems due to alcohol or other drug use. The student assistance program provides information on the prevention of substance abuse and coordinates related services and resource persons funded by the community's Municipal Alliance. The student assistance program arranges for drug and alcohol education and prevention programs for the district's schools. Board of education policy and procedures regarding students suspected of being under the influence, possession, sale or distribution of chemical substances, including alcohol and steroids, is in place. The district has contracted with a medical association for drug screening, when needed, and the substance abuse counselors monitor students on a monthly basis. Overall, the student assistance program is well organized and is a beneficial resource to the school and the community. Increased staffing may be needed in the near future if caseloads continue to escalate.

A Developmental Guidance and Counseling Curriculum Guide was written in the summer of 1998 but, as of this writing, has not been adopted by the board of education. The guidance department supervisor recognizes the need for a more inclusive curriculum guide in this service area. He plans to prepare a written, comprehensive developmental and career guidance curriculum to be implemented in the high school and middle schools. It should include a systematic and planned program delivery that effectively involves all students and promotes and enhances the learning process. By providing interventions within a comprehensive program, school counselors focus their skills, time, and energies on direct services to students, staff, and families. In addition, provision should be made to update the job descriptions for the counseling staff members. This has not been changed since 1979. It would enhance program services if personal computers were provided to the department, particularly the College Center, which needs direct access to the Internet.

Recommendation:

The district's guidance program is well structured and appears to be meeting the needs of students. The overall cost of the guidance function is within normal range, with the exception of the number of departmental clerical staff members. The High School West campus employs six secretarial/clerical staff members, two more than when compared to other similar high school districts with a population of approximately 1,300 students. District should consider reduction of clerical staff by two.

Cost Savings: \$51,400

LGBR supports the supervisor's plan to update the Guidance and Counseling Curriculum Guide. This program guide should be comprehensive, developmental, and supported by appropriate resources. Providing two personal computers to the department, particularly the College Center, will enhance program service activities.

One-time Value Added Expense: \$2,000

Non-Public School Services

The Old Bridge School District and Middlesex County Educational Services Commission have a 10 year contractual agreement, that began July 1, 1995 and ends June 30, 2005, for nonpublic school services as determined by state statute. Funding for the 1999-00 school year is listed below:

Non-Public Schools State Revenues 1999-00

Non-Public Services	Rate Per Pupil	State Entitlements
<i>Chapter 192 (General Education)</i>		
Compensatory Education	\$730.73	\$68,689
Public Transportation	NA	\$4,410
ESL	\$1,274	<u>\$1,274</u>
Subtotal		\$74,373
<i>Chapter 193 (Special Education)</i>		
Initial Exam. & Classification	\$1,135.24	\$32,922
Annual Exam. & Classification	\$340.39	\$7,148
Corrective Speech	\$862.76	\$98,355
Supplementary Instruction	\$752.41	<u>\$25,582</u>
Subtotal		\$164,007
<i>Auxiliary Services</i>		
Textbooks	\$44.74	\$52,659
Nursing	\$62.26	\$67,988
Technology	\$40.00	<u>\$46,000</u>
Subtotal		\$166,647
TOTAL		<u>\$405,027</u>

Source: State Department of Education Aid Notice

Services are provided to all eligible non-public schools within the borders of the district. Chapters 192 and 193 entitlements were established by prior year district application for 293 students, as determined by participating non-public schools. There is also provision for home instruction services based on individual student applications submitted during the course of the school year through Chapter 192 monies. Non-public auxiliary services will be provided as follows: Textbook Aid-1,177 students in six schools; Nursing Aid-1,092 students in five schools; and, Technology Aid-1,150 students in five schools. This school year's total non-public aid increased \$71,824 over 1998-99.

The Educational Services Commission (ESC) provides fiscal year project completion and financial reports to the board of education. The district, subsequently, audits all financial information (grant funds and expenditures).

Library and Media Services

Total library expenses have increased 2.6% in the last two school years. An automated card catalog system for the high school and Miller School libraries was purchased during 1996-98 school years, at a cost of \$21,787, under the purchased professional/technical services account. This system has provided efficiencies in the ordering and processing of new books and materials.

During the 1997-98 school year, the district reopened the Miller Elementary School. A complete collection of books was required to stock this new library. This explains the large increase in the library books account between fiscal year 1996-97 and 1997-98. The 1998-99 expense for library books is less than the expenditure in 1996-97. The expenditures in periodicals, AV materials, and other expenses have increased in order to provide students with additional magazines, newspapers, televisions, VCRs, and furniture.

Old Bridge Township School District				
General Fund Expenditures				
Educational Media Services/School Library:	1996-97	1997-98	1998-99	% Change
Salaries of Other Prof. Staff	\$61,348	\$63,578	\$64,969	2.2%
Salaries of Librarians	\$744,138	\$748,234	\$814,343	8.8%
Salaries of Secretaries and Clerks	\$92,678	\$96,875	\$99,101	2.3%
Purchased Prof./Tech. Services	\$21,189	\$598	\$0	Division by 0
Library Books	\$69,083	\$109,399	\$56,822	-51.9%
Periodicals	\$12,045	\$12,789	\$16,628	30.0%
AV Materials	\$24,216	\$25,269	\$29,256	16.0%
Other Library Expenses	\$8,883	\$10,296	\$14,057	36.0%
Total Educational Media Services/School Library	\$1,033,580	\$1,067,037	\$1,095,176	2.6%
Sources: Comprehensive Annual Financial Reports & Old Bridge School Budget 1999-00.				

The Old Bridge School District operates 16 libraries, one at each school facility, and offers media services at each location. One and a half librarians staff each library at the high school and the two middle schools. In addition, both campuses of the high school and the two middle schools each have a 12-month library clerk. For the most part, the elementary schools share a librarian between two schools and do not utilize library clerks or aides. All libraries are open during school hours only. The review team visited each library and noted that most libraries appear to have sufficient space and modest collections. However, lighting in many of the libraries needs improvement along with replacement of old and worn furniture.

An annual inventory list is not being compiled and maintained at any of the school libraries. An inventory list is important for a variety of reasons. It can assist librarians and teachers in the process of updating and augmenting the collection with respect to the curriculum, and it can be used to determine loss from one year to the next. In Old Bridge, an inventory list would be extremely helpful in coordinating interlibrary loans between the two high school campus libraries.

Recommendation:

Old Bridge Township Schools compile an annual inventory of the library/media supplies. This will assist librarians to determine future needs, as well as, to monitor the loss of materials from one year to the next.

The card catalogs in the high school and middle school are automated, using the Athena Library System. The high school library has four computers for student use and the middle schools have eight. All school computers are connected locally, have access to the automated library system, and have Internet access. Students are able to do research either in the library or at a computer lab. In addition, both high school campuses have adjacent rooms that are used as general computer labs.

Recommendation:

The district should consider electronically connecting the library at the High School West campus with the library at the east campus. This will enable students and teachers to access the books and materials from both libraries, maximizing utilization. This may also assist librarians/media specialists with the annual purchasing decisions.

Through the New Jersey Technology Literacy Challenge Fund Round III grant, the district has provided “Pro-Quest,” an extensive database of periodicals that is available over the Internet. The district had been providing this database previously; however, it was accessed through a collection of CDs. The grant has afforded the district the ability to access this database over the Internet. Pro-Quest in this format is easier to use, provides more current information, and is available to the community as well. The district should be commended for providing the funds that will continue service of this database after the expiration of the grant. This has enabled the Old Bridge Schools to provide a much more robust inventory of periodicals. Moreover, it allows students and the community at-large to access this resource from the convenience of home.

The Old Bridge School District should be commended for the centralized procurement of books. This provides the district the most economical method of acquiring books and materials. In addition, the district realizes savings by purchasing books and materials that are already processed and ready for shelving.

The elementary school librarians/media specialists teach library skills to each class once a week. Staffing at the elementary level consists of only the librarian; there are no clerks, aides, or volunteers to assist with administrative duties such as shelving, weeding (replacement of out-of-date, old, worn out books), checking-in or checking-out of books. Because the librarians are working between two schools, the library is only staffed, on average, three days per week. However, whether or not the librarian is in the building on a particular day, the library remains open. Teachers can visit the library with their classes, although this does not typically occur. As a result, the library is unused, on average, 40% of the time.

According to the Comprehensive Plan for Education Improvement and Financing (CEIFA), an elementary school of 500 should be staffed with one librarian/media specialist. McDivitt and Voorhees schools’ enrollment is approximately 500; however, the other ten elementary schools’ average enrollment is 342 students. Old Bridge Township Schools should be commended for efficiently staffing the elementary school libraries. However, to maximize the utilization of the library expenditures, the district should consider hiring library aides or make use of volunteers in order to assist the librarian with some of the administrative tasks, as well as, to enable the school to make better use of each elementary library.

Recommendation:

The district should give consideration to creatively staffing the libraries at the elementary schools in order to increase use of library facilities.

The Miller School, a model for the district, contains a library that has recently been renovated. The computer lab is within the library itself. The library has access to Athena, the automated circulation system, and the Internet. Because the librarian is also the computer teacher, both facilities are open and accessible for student use 90% of the time. This is a commendable synergy that is a great advantage for the Miller School and results in a cost efficiency for the district.

The district has indicated that it plans to upgrade the other elementary libraries by providing computers, the Internet, and the automated circulation system. This will provide parity among the elementary libraries.

The high school libraries are open during school hours only, while the adjacent computer labs are open to students after school. If students are doing research and access the library circulation system, they are unable to retrieve books and materials from the library after school. Further, in order to access the general computer lab at the West Campus, the students pass through the library and yet there is no staff available in the library. The library should be staffed similar hours as the adjoining computer lab. This could be achieved without any additional costs, by staggering staff schedules.

Because of the distances from several of the elementary schools to the local libraries, it might be prudent to offer some opportunity for students to access school libraries after school hours, similar to those after school hours offered in the computer lab. Participation in after school hours should be monitored to determine if there is indeed a need for this added service.

Recommendation:

Provide after school library services at all levels, but particularly at the high school.

There is some concern with security at the high school libraries. The high school libraries are used as meeting places for clubs and groups after school. Library staffing is scheduled during school hours only. Loss of books and materials might be minimized if library staffing were available beyond the normal school day. Alternately, the district might consider not using the library for these after school activities. Furthermore, annual inventory lists would enable the district to determine the extent to which security is a problem. If it is determined that security is a significant problem, then measures should be taken to minimize this issue.

Recommendation:

The district should compile annual inventory lists and staff the library after hours to minimize loss of materials. Having done this, the district will be better able to determine the security measures that make sense for the high school.

The middle and high school librarians do not teach classes to the students. The librarians provide teacher support by creating bibliographies and gathering information along with the typical library functions. Students come to the library with a class, by obtaining a pass, or during lunch. Because the middle and high school libraries operate through the use of an automated circulation system, it is important that the district provide a sufficient number of computers for the student enrollment. For example, at each high school campus there are approximately 1,300 students. In the library there are four computer stations for student use. It is reported that the library is the most active during the lunch period and, yet at that time, the general computer lab is closed. Students come into the library and are not able to access a computer.

As previously discussed, the elementary librarians travel between two buildings. Principals provide evaluations and the supervisor of administrative services oversees the district library budget and develops an agenda for the in-service meetings. Librarians at all levels report feeling disconnected from the schools and staff in which they work and from the curriculum itself.

Technology has caused school libraries to evolve and so the role of the librarian has also changed. Libraries, as information centers, are driven by computers and technology. At the time of the report, the school district was searching for a director of technology. Since technology is vital to a school library, it is recommended that the district consider a reorganization in which the librarians/media specialists report to this director. This will help to connect the library to the curriculum, making it the center of the school.

Recommendation:

Restructure the organizational chart so that the librarians/media specialists feel more connected to the schools in which they work. A suggestion might be to reorganize so that the librarians/media specialists report to the Director of Technology.

The Old Bridge Municipal Library is a tremendous asset to the community. The municipal library is accessible through the Internet. Within this facility is a children's library with a dedicated librarian. The library offers several book clubs for children throughout the year. The Old Bridge Schools require students to participate in a summer reading program. The municipal library is supplied with the grade level reading lists each spring. The Supervisor of Administrative Services serves as a board member of the municipal library. Encouraging joint meetings between school librarians, teachers, and the staff at the municipal library can enhance this successful partnership between the schools and the municipal library.

Health Services

The Old Bridge School District employs one full-time school nurse for each of the twelve elementary schools and two full-time and one part-time nurse for both middle schools and both high school campuses for a total of 18 staff members. The part-time nurse at the middle school level is scheduled five days per week at one building, then rotates to the second building for the next five day assignment. The part-time nurse at the high school splits her day (a.m./p.m.) assignment between both campuses. The staff is made up of 11 certified school nurses and seven registered nurses. Five registered nurses are assigned at the elementary level and the two remaining RNs staff the middle and high school part-time positions. The nurses report to their

building principals. General oversight of the health services program falls under the management of the Supervisor of Administrative Services. All nurses are ten-month employees. The middle and high school nurses assist with sports physicals during the summer, for which they receive additional compensation at the district's contractual \$32 hourly rate of pay. All nurses in the elementary schools are used as resource persons to the health education program for certain subject areas, such as drug and alcohol substance awareness, and general health nutrition, on a scheduled basis.

The main functions of the nurses are general student assistance (first aid and medical checks), administering individual medications, conducting screening for physicals and scoliosis, coordination of inoculations including required Mantoux testing, conducting in-service staff training, initiation and follow-up regarding medical problems and concerns, and making appropriate referrals. The elementary school nurses also serve as members of the CORE team or the Pupil Assistance Committee (PAC) in their schools; the secondary school nurses participate on an ad hoc basis. Substitute nurse services are sometimes difficult to secure. If a substitute is not available, a "buddy school" assignment has been established among the elementary school nurses for student medications and emergencies; the part-time nurses at the middle and high school levels cover the building if a substitute cannot be found.

There is no clerical support available to any of the nurses to assist with record keeping. The district has initiated health record computerization and plans to equip all nurses' offices with computers in the future. Computers should help maintain required data and standardization of district health practices, while providing intra-district networking of the health offices. The high school health offices see 50 to 100 students daily making record-keeping and clerical duties very time consuming. Students sometimes assist in general office work. However, much health information is confidential, and should not be handled by students. The Middle States Association of Colleges and Secondary Schools Report dated March 4-6, 1998 recommended that clerical assistance be provided to the health services offices.

Three physicians are employed to conduct physical examinations for the 1999-00 school year at the following rates:

- Screening Examinations \$5.00 per student
- Sports Physicals \$10.00 per student
- Working Paper Examinations \$15.00 per student

The total cost for these contracted medical services has averaged \$40,700 over the 1996-97 and 1997-98 school years.

Generally, two of the three physicians are assigned to both the middle and high school buildings. All three doctors cover the elementary schools; the school nurses coordinate their activities. One doctor also acts as the senior health officer for medical inspections of facilities and oversees the district's compliance with statutory and regulatory health requirements for no additional compensation. School physicians receive no health benefits. Job descriptions and employment contracts are on record. The school physicians are primarily responsible for performing screening physicals of students in kindergarten and/or 1st, 4th, 7th, and 10th grades, plus all new

students and athletes. Other school physician's responsibilities include, excluding students for contagious or communicable disease and examination of students applying for working papers. The employee's personal physicians, except for Mantoux testing as required, do school employee examinations. Mandated Hepatitis B vaccination series for certain specified employees is administered by a third party medical agency contracted by the board of education.

Old Bridge Health Services Costs

General Fund	1996-97	1997-98	1998-99
Salaries	\$801,026	\$760,621	\$754,559
Purchased Professional & Technical Services	\$48,090	\$41,299	\$42,196
Supplies & Materials	\$20,545	\$25,405	\$28,896
Total	\$869,661	\$827,325	\$825,651

Source: Districts Comprehensive Annual Financial Report (CAFR)

The costs of health services within the district decreased by 5% during the three-year period between 1996-97 and 1998-99 school years, due to health service staff retirements.

Health Services Expenditure Comparisons 1998-99

	Old Bridge	Edison	Middletown	Piscataway	Woodbridge
Salaries	\$754,559	\$1,242,081	\$933,849	\$471,890	\$1,267,629
Purchased. Prof. & Tech. Serv.	\$42,196	\$116,068	\$135,960	\$16,976	
Other Purchases Services				\$6,964	
Supplies & Materials	\$28,896	\$9,485	\$26,961	\$9,555	\$57,477
Other Objects			\$9,515	\$386	
Total Costs	\$825,651	\$1,367,634	\$1,106,285	\$505,771	\$1,325,106
ADE Enrollment	9,426	12,622	10,179	6,662	12,400
Cost Per Student	\$88	\$108	\$109	\$76	\$107

Source: Districts Comprehensive Annual Report (CAFR)

For the 1998-99 school year, health service costs represented 0.9% of the district's budget. The same program costs for the comparative districts were: Edison - 1.2%, Middletown - 1.2%, Piscataway - 0.8%, and Woodbridge - 1.1%. Lower program costs (\$88 per student) were directly attributable to the district's use of registered nurses in its health services program.

The district's use of registered nurses to augment its health services program is exceptional and affords considerable cost savings. Despite a legal challenge, the district's use of RNs prevailed. Certain health services functions can only be done by a certified school nurse, such as setting up of the health office, conducting student physical examinations, etc., while other duties and activities can be carried out by a registered nurse. RN non-degree requirements will probably require separate salary guides for non-certified staff members as determined by the local bargaining unit and the board.

Recommendations:

The district should consider the reassignment of existing clerical support, even on a part-time basis, to both high school health services offices to assist the nurses with those record-keeping tasks that require an employee rather than student volunteers. Computerization of student records would also facilitate the record-keeping task and the transfer of student information and mandated records from school to school.

BUSINESS OFFICE OPERATION

Old Bridge School District's business office is comprised of the following departments: accounts payable, administration, bookkeeping, insurance, payroll, and purchasing. The business office staff consists of sixteen employees. The staff includes an assistant superintendent for business, an executive secretary, an administrative assistant, an accountant, a bookkeeper, two accounts payable clerks, three payroll clerks, one insurance clerk, and two purchasing clerks. Three staff members support the computer services department. Computer services is housed in the high school east campus. All business office staff are 12-month contractual employees. The district does not have an organizational chart on file. The team's review focused on the major job responsibilities of the business office. Our evaluation was based on interviews and supporting documentation provided by the district.

Clerical Office Staff Major Job Responsibilities

The primary job responsibilities of central office staff are as follows:

- the executive secretary is responsible for basic office procedures, and telephone screening;
- the administrative assistant supports the assistant superintendent for business with budgets and audits;
- the accountant provides financial data, technology support, and supports the bookkeeping department;
- accounts payable staff are responsible for payment of purchase orders, telephone statements and utility bill payments;
- payroll processes in-house payroll services, and other personnel services for all district employees;
- insurance staff provides employee health benefit payments and updates;
- the purchasing staff are the major buyers for all district needs; and
- the computer services department processes payroll checks, report cards, attendance, and other reporting as requested.

Assistant Superintendent for Business/Board Secretary

The assistant superintendent for business/board secretary is responsible to the superintendent for supervision and direction of business office staff, custodial, maintenance, transportation, food service, and to the board of education as board secretary. Each operating unit within the business office reports directly to the assistant superintendent for business.

Procedural Manuals

At present, the district does not have a procedural manual for any of the business office operating units. In addition, cross training of job duties has never been initiated. There is no state mandate for school districts to have procedure manuals. However, manuals provide clarification for employees and newly hired staff seeking information about specific operations and aid employees in case of an emergency.

Recommendation:

LGBR recommends that the district develop a business office procedures manual to clarify district wide operations. The superintendent and assistant superintendent for business should review the procedures and propose them to the board for final approval and adoption. This manual should be reviewed periodically for updates, as needed.

Job Descriptions

Based on interviews with support staff, it was noted that the district has not updated job descriptions. Several business office employees have updated their own job descriptions as duties performed have increased.

Recommendation:

Job descriptions should be updated more frequently as various positions, duties, and responsibilities are modified.

Salaries and Longevity

Total central office clerical staff salaries are average in cost in comparison with state averages. During the 1998-99 school year, the budgeted salaries for business office personnel ranged from \$22,500 to \$65,000. Salary increases averaged 3% between the 1997-98 and 1998-99 school years. Central office clerical staffing has been relatively stable through the years. Longevity payments begin after the completion of sixteen years of service for secretarial and clerical staff. Approximately seven staff members are receiving longevity payments. These costs average approximately \$1,933 each or \$13,530 annually. In addition, clerical staff with 15 college credits or more, receive an additional \$300 each year. Currently, three employees receive this annual bonus, totaling \$900.

Recommendations:

LGBR recommends that the district eliminate longevity increments from salary guides. Employee compensation should be reflected in the salary guide without additional compensation based solely on years of service.

Potential Cost Savings: \$13,530

Staff Development

Staff development is the key to successful use of technology and office automation. Employees should receive instruction in use and integration of technology in the work place.

During the review, board of education approval was given to hire a new technology director. Our interviews and observations found that, while technology was currently being upgraded district wide, many employees were concerned about the lack of training on computers and technology usage.

The district pays the full cost of tuition and other reasonable expenses incurred in connection with any courses, workshops, seminars, conferences, in-service training sessions, or other such sessions approved by the superintendent, in writing. Secretaries and clerks can attend Old Bridge Community School free of charge. Although these developmental avenues were available for business office staff, district employees were not utilizing the training.

Recommendation:

The district is making a significant monetary investment in the professional development of staff. The team concluded that the staff development provisions were reasonable. The team hopes that with the hiring of the new technology director, increased technology use and training will increase.

Vacation Days

Vacation entitlements for all twelve-month employees are as follows:

1 year service	2 weeks
5 years service	3 weeks
10 years service	4 weeks
15 years service	5 weeks

Employees who begin employment after July 1, 1995 have the following amended vacation schedule:

1 year service	1 week
2-4 years service	2 weeks
5-9 years service	3 weeks
10 years service	4 weeks

With approval of the immediate supervisor, employees can accumulate up to 10 unused vacation days every year, totaling an unlimited amount.

Recommendation:

The purpose of vacation time is to provide for rest and relaxation away from one's job responsibilities in order to return to work with increased enthusiasm and effectiveness. The district should consider negotiating limits on payment for unused accumulated vacation days.

Payroll

The Old Bridge School District has an in-house payroll system. Three payroll clerks perform the administrative functions for check processing, federal and state tax deductions and database maintenance. One supervisor and two clerks in the computer services department process the payroll checks and other payroll reports. In total, six employees process the in-house payroll service for approximately 1,180 employees.

The payroll staff process payroll for all district employees twice a month. Employee time sheets are received through interoffice mail and all necessary data is entered into the payroll software program. The district has used the software program for ten years. Back up data is stored on tapes. When all timesheets have been received, the computer services department processes a payroll run. As a double check, the payroll supervisor manually proofreads each check history print out to look for errors before a final payroll run is generated.

Checks are put through a machine for check separation and the payroll staff verifies that each employee receives a check. The checks are then put into envelopes and a bus driver distributes the checks to each school. There is no formal signature process from staff members for confirming that checks have been received. After checks have been issued, the senior payroll clerk issues all agency account checks (i.e., tax shelter, disability, taxes, etc.) to be sent to the appropriate companies.

Currently, the approximate cost for six employees to implement and initiate the in-house payroll service is \$164,600. To come up with the approximate figures for cost savings analysis, LGBR used a 75% ratio of total payroll salaries and a 25% ratio of computer services salaries. These salaries include total employee benefits. Using an outsourced payroll service would cost the district approximately \$84,960 to service 1,180 employees.

Recommendations:

There are benefits for a school district to perform payroll functions internally. One benefit for the district is that the payroll staff is knowledgeable of the intricacies and special needs of all district employees. However, outsourced payroll companies are now equipped to provide school district with comparable and efficient services.

LGBR has identified the benefits and cost savings that an outsourced payroll system could provide Old Bridge School District. Currently, payroll staff manually calculate W-2 information. During the course of the year an Excel spreadsheet is updated monthly to be used as a double check to confirm the accuracy of the payroll totals. This function would be eliminated with an outsourced payroll service, eliminating the cost of periodic staff overtime. The downtime costs of personnel moving back and forth to the computer services department to pick up and drop off data would be saved. An outsourced provider would receive the payroll data through the computer server and mail the checks via an overnight service. The cost for this service is already included in the service fees.

LGBR recommends that the district consider a private payroll provider if costs per employee, per pay period, can be obtained at \$3 per person or less. With the cost savings for private payroll processing, a reduction of one staff member in the payroll department and one staff member in computer services could be accomplished. Two employees in both payroll and computer services could efficiently accomplish all duties for the district if an outside vendor was used for payroll services.

Cost Savings: \$79,640

Signature Process for Receipt of Payroll Checks

A bus driver distributes checks bi-weekly to each school. There is no formal signature process from a staff member at each school confirming that all checks have been received once they are dropped off. The district has identified no problems with this current procedure. However, staff acknowledged that an internal control procedure should be instituted.

Recommendation:

LGBR recommends that one authorized person, and an alternate, at each school be assigned to receive payroll checks for the school year. A signature receipt form should be instituted to ensure that checks have been received.

Filing

The district generates a tremendous amount of paperwork. All time sheets are filed by the payroll date. All paperwork is stored even after employees retire. Agenda items go into each employee's personnel file. Payroll staff periodically perform filing tasks after other time consuming payroll responsibilities have been completed. Microfilm is being utilized by the district for some data. However the district should consider eliminating some of the paperwork currently stored on site.

Recommendation:

The state mandate for record retention is seven years. The district should consider eliminating unneeded material periodically.

Telephone

Payroll staff do not have voice mail and two staff members share one line. Numerous calls are received from district employees regarding loans, pension buy back, workers compensation, etc. In addition, employees are allowed to randomly stop into payroll to ask for various requests. Because there is no voice mail, payroll employees spend a lot of time answering employee concerns and providing personnel services.

Recommendation:

It is recommended that payroll employees receive their own telephone extensions. In addition, voice mail is recommended so that employee calls can be returned when payroll deadlines are not pending. Procedures should be established, and enforced, to limit employee, "drop-ins" which are a significant disruption to payroll staff.

Employee Attendance

Attendance of district employees is maintained at each school. Teachers are entitled to ten sick days and two personal days per year. Supervisory staff is responsible for notifying the payroll department in a timely manner to avoid errors in the issuance of pay checks.

Recommendation:

LGBR recommends that the district formulate an employee attendance record process, by which information is faxed daily from all supervisory staff to the payroll department. This process would incorporate a total district employee attendance record.

Cross Training and Procedural Manuals

There is no formal cross training of duties. The payroll supervisor can perform all job duties. However, the payroll staff are only trained to perform their own job functions.

Recommendation:

LGBR recommends that the district implement procedural manuals and cross training of staff.

Surplus Funds

The Comprehensive Education Improvement and Financing Act of 1996 (CEIFA) N.J.S.A. 18A:7F-1 - 18A:7F-34, requires that a school district's unreserved general fund balance (surplus) not exceed 6% of the prior year's budget expenditures. The state does not require that a district maintain a minimum fund balance. However, school districts often maintain a fund balance between 2% to 6% of total budgeted expenditures to be used for emergencies. If a district's fund balance exceeds 6% at the end of the school year, the district is required to appropriate the excess amount to the subsequent year's budget for tax relief.

Elements that create surplus money are the amounts of revenues and expenditures in the current budget year and the amount of available surplus from the prior year. A portion of this surplus may be carried into the next year's budget. Accurate estimates are vital because overestimating surplus (i.e., having less than anticipated) can lead to budgetary cutbacks. The alternative, underestimating surplus (i.e., having more than estimated) could be a result of the district raising more taxes than necessary to fund operations. A district's ability to forecast adequate surplus fund needs is a sign of sound financial controls. It should be noted that unforeseen circumstances in a given year might result in a surplus or deficit situation. However, consistently large savings from deficit to surplus or on going over or under spending estimates call into question the district's budgeting system.

At the time the school district prepares its budget, central office administrators know the approximate amount of revenue anticipated in the coming year. Over 90% of the Old Bridge School District's revenue are from local tax levy and state aid. Over the 1997-98 and 1998-99 school years, the amount of revenue actually received was slightly higher than anticipated. In

the 1997-98 school year, the district received \$271,474 or .33% more revenue than anticipated. In the 1998-99 school year, the district received \$463,607 or .56% more revenue than anticipated.

	1997-98			1998-99		
	Budget	Actual	% Chg.	Budget	Actual	% Chg.
Total Revenue	\$81,525,809	\$81,797,283	0.33%	\$83,099,313	\$83,562,920	0.56%

The majority of the district's expenses are salaries. With the exception of contract renewal periods, salary amounts for all positions in the upcoming budget year are available through contracted labor agreements or annual salaried position amounts. With the exception of additional staffing needs due to unexpected increases in student enrollment, salaries are very predictable. For the 1997-98 school year, the district expended \$1,610,825, or (1.91)%, less than budgeted for total expenditures. During the 1998-99 school year, the district expended \$1,416,063, or (1.67)%, less than budgeted expenditures.

	1997-98			1998-99		
	Budget	Actual	% Chg.	Budget	Actual	% Chg.
Total Expenditures	\$84,439,078	\$82,828,253	-1.91%	\$86,356,429	\$84,940,366	-1.67%

The following table illustrates the districts budget and actual surplus as a percentage of total expenditures:

**Old Bridge Township School District
Analysis of Budget & Actual Surplus as a
Percentage of Total Expenditures**

	1997-98			1998-99		
	Budget	Actual	% Chg.	Budget	Actual	% Chg.
Total Revenue	\$81,525,809	\$81,797,283	0.33%	\$83,099,313	\$83,562,920	0.56%
Total Expenditures	\$84,439,078	\$82,828,253	-1.91%	\$86,356,429	\$84,940,366	-1.67%
(Over)/Under Expenditures	(\$2,913,269)	(\$1,030,970)	64.61%	(\$3,257,116)	(\$1,377,446)	57.71%
Other Financing Sources	(\$131,400)	\$1,277,464	-10.72%	(\$110,000)	(\$31,459)	71.40%
Surplus or (Deficit)	(\$3,044,669)	\$246,494	-0.42%	(\$3,367,116)	(\$1,408,905)	58.16%
Beginning Fund Balance	\$3,257,080	\$3,257,080	0.00%	\$3,503,574	\$3,503,574	0.00%
Ending Fund Balance	\$212,411	\$3,503,574	15.5%	\$136,458	\$2,094,669	-----
Surplus as a Percent of Total Expenditures	0.252%	4.230%		0.158%	2.466%	

Source: (Exhibit B) Old Bridge Township CAFR

*Excludes TPAF amounts to make comparison more accurate.

Recommendation:

In view of the past two year surplus history, LGBR recommends that district officials continue to maintain an actual surplus between 2% to 4% of expenditures. In order to minimize the property tax impact on its citizens, the district should continue to estimate total expenditures closely. Over the period surveyed, the district kept surplus at reasonable levels.

Grants/Special Revenues Management

The 1999 CAFR reveals that the Old Bridge School District received approximately 2.8% of its total revenue from federal and state aid and grants. This is similar to the state and federal aid received by the four other comparative districts.

Special Revenue Fund								
	Federal Aid	%*	State Aid	%*	Other	%*	Total Revenue Fund	%*
Old Bridge	\$1,263,774	1.4	\$1,283,812	1.4	\$3,945	0	\$2,551,530	2.8
Woodbridge	\$1,704,626	1.4	\$2,014,329	1.6	\$65,139	.1	\$3,784,094	3.1
Piscataway	\$1,142,585	1.6	\$1,900,159	2.6	\$45,740	.1	\$3,088,484	4.3
Edison	\$2,214,887	1.8	\$1,852,979	1.5	\$56,521	0	\$4,124,387	3.4
Middletown	\$1,748,563	1.7	\$1,528,967	1.5	\$2,333	0	\$3,279,863	3.1

*Percent of Total Revenue

The Community School Coordinator/Director of Federal Funding is in charge of investigating new sources of state and federal funding and acts as a resource to staff. In addition, the coordinator supervises and develops grant applications for Title II, IV, VI, and block grants as well as prepares all the required reports. The directors of special services and basic skills administer Title I, IDEA, DEPA, and Instructional Supplemental Aid. The business administrator oversees Non-Public School Aid.

Some staff members from the technology committee applied for a technology grant that was awarded to the district in April, 1999. The New Jersey Technology Literacy Challenge Fund Round III awarded the district \$199,917 to be used during the twelve months from the date of issuance. Using these funds, the district has created a writing lab at the high school and increased its network capability, as well as provide training and technical support.

The following is a table of federal and state grants that were awarded in the past two years:

FEDERAL GRANTS	1998-99	1997-98
<i>Special Revenue Fund</i>		
Title I, Part A, Basic	\$375,741	\$375,741
Title II, Math/Science –IKE	\$28,677	\$30,249
Title IV, Safe and Drug-Free Communities Act	\$50,239	\$95,065
Title VI, Innovative Education Program Strategies	\$41,576	\$35,684
IDEA Part B	\$669,639	\$611,470
IDEA Preschool	\$66,469	\$59,520
School to Work Opportunities	\$10,527	\$0
Technology Literacy Grant	\$199,917	\$0
Parents as Teachers	\$15,750	\$45,750
<i>Special Revenue Fund Total</i>	\$1,458,535	\$1,253,479

The federal government reduced its funding for The Title IV Safe and Drug-Free Communities Act in 1998-99.

According to the CAFR, the district returned \$13,066 in federal grants. Of this, non-public schools did not expend \$2,701. The remaining \$10,365 returned was from the Parents as Teachers grant. This grant was for pre-school developmental progress. The district has decided not to continue with this funding.

STATE GRANTS	1998-99	1997-98
<i>Special Revenue Fund</i>		
Demonstrably Effective Program Aid (DEPA)	\$239,932	\$244,833
Distance Learning Aid	\$386,835	\$378,450
Instructional Supplemental Aid	\$308,676	\$271,858
Technology Initiative	\$23,940	\$0
Peer Mediation and Conflict Prevention	\$0	\$5,000
Mediation and Conflict Prevention	\$0	\$4,000
Drug and Alcohol Prevention	\$0	\$7,400
Highway Safety Grant	\$933	\$0
Non Public School Aid:		
Textbook Aid	\$53,830	\$51,043
Nursing Services	\$68,077	\$60,559
Auxiliary Services:		
Transportation	\$8,898	\$9,191
Compensatory Education	\$44,575	\$53,600
Home Instruction	\$5,423	\$3,114
English as a Second Language	\$8,239	\$5,096
Handicapped Services:		
Supplemental Instruction	\$18,058	\$15,801
Examination and Classification	\$38,030	\$41,510
Corrective Speech	\$84,550	\$78,670
Total Special Revenue Fund	\$1,289,996	\$1,230,125

The Peer Mediation and Conflict Prevention and Drug and Alcohol Prevention grants were received through the Municipal Alliance Program as a one-time program.

According to the CAFR, the district returned \$20,417 from grants the non-public school did not expend. There were no district funds returned to grantors.

The district should frequently visit the New Jersey Department of Education website, www.state.nj.us/education, (click on “grants,”) and the United States Department of Education web site, www.ed.gov/inits.html and www.ed.gov/funding.html, for current information on available grant programs. These web sites provide an excellent source of information for schools to determine those additional grants for which they may qualify.

Purchasing

The district processed approximately 5,000 purchase orders in 1998-99. Approximately \$23 million, or 26%, of the district’s expenditures, \$89 million in school year 1998-99, were for

purchased supplies and services. The district spent \$23 million to purchase textbooks, office supplies, athletic equipment, contracted services, heat, electricity, and other items.

The purchasing department consists of two employees whose responsibilities include the procurement of materials, services, supplies, and equipment. The staff also updates the district web-site with awarded contract updates. The staff works closely with vendors to ensure that all purchasing is handled as uniformly as possible. Close contact with each school is necessary for ordering correct quantities and meeting time deadlines.

The district's purchasing department assigns a requisition number to all purchasing requests once they are received. After all designated staff have approved the request, the purchasing data is keyed into the computer. The request is then sent to the bookkeeper for a dollar value encumbrance. If there is sufficient funding available, the request receives a purchase order number. The purchasing office then mails the order. A monthly listing of payments to vendors is compiled for board approval. After board approval, checks are issued and sent to vendors. The custodial staff at the requesting school receives the order when it arrives to determine whether quality, quantity, and timing objectives have been met. The custodial staff sends the completed receiving copy back to the business office.

Because of the large volume of purchases during the school year, there is no formal tracking to follow-up on items not received or paid in a timely basis. The staff compiles numerous requests in file drawers and only follow-up on a particular purchasing request if someone inquires about it. The business office becomes aware if an order has not been received when the requesting school informs them that they have not received the order.

The budget process begins in November. The purchasing staff distributes order booklets to each school, which, in turn, are returned to the business office. These requests are reviewed, and approved or modified by the assistant superintendent for business and the superintendent.

The district works with other government agencies to reduce costs by establishing joint, inter-local, or other purchasing agreements. Most recently, the district entered into the cooperative pricing system of Mercer/Middlesex Counties agreement for a cooperative pricing system for the purchases of services, materials and supplies.

Another example includes a gas jointure with the municipality department. The district's buses and other vehicles receive their gasoline from the municipal gasoline tanks. The district purchases gas from the municipal department at five cents over the township's per gallon cost. For the 1998-99 school year, the district purchased approximately 60,645 gallons of gasoline and 27,385 gallons of diesel gas to run its buses. This shared service agreement cost the district approximately \$2,270.

The district purchases copy paper through a consortium with other school districts to receive the best price, which averages 10% below the state contract prices. The vendor meets all of the terms and conditions of the state contract.

Since 1995, the district has further reduced its costs by purchasing natural gas from the Middlesex County Educational Services Commission through cooperative purchasing of natural gas services.

The district is considering automating its purchasing process. This will enable the district to eliminate numerous manual processes and combine purchases to obtain quantity discounts.

Recommendation:

LGBR recommends that the district establish a follow-up system on all purchase orders. In addition, the team recommends that the district negotiate with the municipality to eliminate the five cents added cost to gasoline. Although the dollar amount is not large, it is an added cost to taxpayers.

Potential Cost Savings: \$2,270

SERVICE CONTRACTS

Legal Services

An analysis of the Old Bridge School Districts legal expenses over the two year 1997-98 and 1998-99 revealed expenditures totaling \$157,910 and \$111,593 respectively. Legal fees decreased by \$46,317 or 42% from 1997-98 to 1998-99. The higher legal cost was due to extended labor negotiations during the 1997-98 school year.

The district has a professional services contract with two attorneys. One attorney handles regular board business, attends board meetings, and represents the district in any litigation. The other attorney serves as a labor negotiator. The board has utilized the legal services of the attorney since 1997 and the labor negotiator since 1993. At the time services were first sought, the board issued Requests for Proposals (RFP) and after expiration of the initial contract, the board has re-appointed both attorneys each year through a resolution. The district has a policy stating the duties of the board attorney and the billing for services. The annual contract with the attorneys also outlines the duties to be performed.

Consistent with board policy, top level administration, which includes the school superintendent, the business administrator, and the board president, may have direct contact with the board attorney.

A sampling of monthly invoices for the district's 1998-99 and 1999-00 legal fees was reviewed. The monthly billing statements reference the specific dates and matter for which the services were provided, as well as, the amount of time expended on each individual task for which the district was billed.

The following is a comparative review of legal fees paid by the Old Bridge, Woodbridge, Piscataway, Edison, and Middletown school districts for the 1998-99 and 1997-98 school years. It is difficult to compare the contractual agreements with attorneys because they vary greatly. In

addition, during years of labor agreement negotiations or major litigation, legal costs may “spike.” However, Old Bridge’s overall legal expenses are below the average and represent the median, when compared to the four other districts.

<i>District reported data</i>		Old Bridge (Middlesex)	Woodbridge (Middlesex)	Piscataway (Middlesex)	Edison (Middlesex)	Middletown (Monmouth)
Total Legal Expenses	1998-99	\$111,593	\$78,208	\$83,376	\$271,811	\$316,116
	1997-98	\$157,910	\$82,736	\$106,374	\$245,506	\$313,295
Hourly Rate	1998-99	\$125, \$115	\$110	N/A	\$125	\$115
	1997-98	\$125, \$115	\$110	N/A	\$125	\$115
Retainer Fees	1998-99	N/A	N/A	\$66,896	\$80,000	\$45,000
	1997-98	N/A	N/A	\$64,324	\$80,000	\$45,000
Salaries paid to attorney	1998-99	N/A	\$45,000	N/A	N/A	N/A
	1997-98	N/A	\$45,000	N/A	N/A	N/A

HEALTH INSURANCE

The Old Bridge Board of Education insures its employees through a private insurer, who provides health care, dental and prescription plans. The district also permits its retirees who have 25 years or more of service to select the district’s health care plan in lieu of state health benefits. These retirees are entitled by law to that choice. If the retirees select the Old Bridge Plan they are not permitted to enroll in the state’s health benefits plan. The district provides coverage to 995 employees and 167 retirees at an estimated cost for 1999-00 of \$5,872,000. The estimated cost for dental benefits is \$1,055,000. The estimated cost for the prescription plan is approximately \$1,169,000. These costs were based upon a simple historical trend-line analysis of past payments on a monthly basis from July, 1997 through December, 1999.

The health insurance costs listed above do not include the state health benefit retirement surcharge of approximately \$180,000, which was not included in the billing information provided by the district for the forecast. The costs were projected for 2000-01 and were estimated to be \$6,242,000 for health care, a 6.3% increase, \$1,055,000 for dental benefits with no increase, and \$1,344,000 for prescription benefits based upon a 15% increase.

Retiree Health Insurance

Based upon estimates, the 167 retirees are responsible for approximately \$550,000 in 2000-01 premium costs. The district also pays an additional \$180,000 for retirement benefit funding to the state through the retirement surcharge required under N.J.S.A. 52:14-17.38c. Because the district is required to pay the state health benefit retirement surcharge, permitting choice between plans increases the costs to Old Bridge, significantly.

The negotiated agreement between the board of education and the Old Bridge Education Association allows retirees the option of choosing the state's health benefits plan or the district's plan. The district benefit plan permits extension of benefits to surviving spouses.

According to N.J.S.A. 18A:16-19, employees who retire from the board of education with the requisite 25 years of service are entitled to receive either the state's health benefits plan or the board's health benefits plan. The law specifically prohibits them from receiving both. There are also several retirees who are covered under both plans because they are listed as a spouse or because of current employment. The Division of Pensions and Benefits considers those entries to be permissible.

In the past, not all school district employees who had 25 years of service were entitled to receive free health benefits from the state. Free coverage depended on which retirement plan the employee had. This was changed in 1992 by legislation (N.J.S.A. 52:14-17.32f 1.) that required 25 years of service for school district employees, in either the teachers' pension plan or the public employees' pension plan.

Single insurance is less expensive than spousal coverage. According to the state's Division of Pensions and Benefits, only about 10% of a covered retirement population are surviving spouses of school district employees. According to the state's Division of Pensions and Benefits, only about five of the 611 New Jersey school districts have passed a resolution permitting the district to pay for surviving spouses of retirees. It is estimated that the continued cost for the 18 current surviving spouses of deceased Old Bridge teachers is approximately \$31,000.

The state's health benefits plan offers more benefits than the Old Bridge district plan for retirees. The state's plan has a lower deductible level and a lower co-payment ceiling. Also, in January, 2000, the state augmented its retiree health benefits plan with a prescription plan that limits the out of pocket expenditure for the patient at \$300. The district's plan does not offer a separate prescription plan to its retirees. This is usually charged back against major medical expenses in most public sector plans without a prescription plan. These reasons lead the team to believe that the district should consider eliminating from the negotiated agreement the provision allowing eligible employees who are retiring to choose the district's health plan instead of the State Health Benefits Plan (SHBP).

Recommendation:

The district should consider eliminating the option contained in the current negotiated agreement that allows employees who are eligible to enroll in the SHBP at retirement to elect to remain in the district's health benefits plan.

FACILITIES AND OPERATIONS

Overview

The Old Bridge Township School District is located in the southern portion of Middlesex County. The school district high school is divided into two campuses based on grade levels. Old Bridge High School Campus East serves grades 11 and 12 while Old Bridge High School

Campus West houses grades 9 and 10. There are two middle schools housing grades 7 and 8, the Sandburg School and the Salk School, plus 11 elementary schools. The district retains the Browntown School for its adult education program and as a site for an alternative high school. The Glenn School site is utilized as office space for special services staff. The site of a former Nike missile base houses the maintenance and transportation offices and garages.

Maintenance Operations

The maintenance department consists of a director of plant operations, 11 maintenance workers and two secretaries. The director is responsible for the scheduling of work, budgeting processes, the direct supervision of staff, work order procedures, and in-house construction projects. Purchasing is primarily a clerical function, although the director has oversight responsibilities.

The district does not have a computerized maintenance management system. It relies on inter-office mail to receive work orders from the various schools and departments within the district. Principals and department heads do not have a monitoring system to follow-up on work order requests.

Custodial Operations

For the past several years, the district has been in the process of privatizing custodial services. The school district employs a custodial supervisor, whose responsibilities include direct supervision of all district staff and oversight of contracted employees. Old Bridge employs 31 custodians and, in addition, five vendors provide cleaning services, in varying degrees, at each of the building locations. In many instances, district employees are “lead” or “reporting” custodians responsible for inventories and daily operations and are assigned to day shifts. Contracted cleaners are primarily utilized for night shifts and lunch duty as needed.

Bidding for cleaning services is an on-going process, with service for various buildings being bid each year, or re-bid due to dissatisfaction with the current service or a need for expanded coverage. Bid specifications require the contractors to provide services delineated on a daily, weekly and holiday basis. The specifications are clearly written and cover the appropriate activities. LGBR commends the district administration’s initiative to provide appropriate cleaning services at reduced costs. The comments that follow cite instances in which we feel that changes should be considered.

The negotiated agreement between the Old Bridge Education Association and the Old Bridge Township Board of Education awards tenure to both custodial and maintenance personnel after three years of service. The provision of tenure for these employees appears to have slowed the privatization of custodial services. Private vendor services are increased when attrition creates custodial openings.

Custodial Staffing

Part of the review process consists of identifying custodial staffing needs utilizing an objective, quantitative, multi-step process based upon the size and use of the facility. The process entails:

- Reviewing any existing district work and time standards for the various cleaning tasks within the school facility.

- Reviewing the custodial labor agreements to determine the number of work-hours within a negotiated workday and then reduce the workday by an off task time allowance factor of 25%. Off task time is defined as scheduled work breaks, interruptions, emergencies, etc.
- Obtaining floor plans of the facilities and inserting task data into the following matrix adopted from “*The Custodial Staffing Guidelines for Educational Facilities*” published by the Association of Higher Education Facilities Officers and “*Good School Maintenance*” published by the Illinois Association of School Boards to determine the total cleaning time for each facility.

TYPICAL SCHOOL AREAS	AVERAGE SIZE SQ. FT.	CLEANING TIME IN MINUTES
Cafeteria	150	10,000
Classrooms	15	1,200
Corridors	5	1,000
Entrances	5	112
Gymnasiums	45	10,000
Laboratories	20	324
Libraries/Music Rooms	30	15,000
Locker Rooms	25	1,960
Offices	8	1,200
Offices With Carpet	12	1,200
Restrooms	20	150
Shops/Art/Home Economics	30	1,200
Stairways	8	PER FLIGHT
Teacher’s Lounges/Café	20	1,200
Auditorium	150	10,000
Multipurpose/Gym/Cafe	210	10,000
Multipurpose	40	2,400

*Note: The average standard adjusted to reflect actual sq. ft. proportional to the standard sq. ft. for an activity.

- Divide this total of minutes by the total work-hour minutes available (after adjusting by the off-task time factor). The result is the headcount needed to clean the facility.
- Compare actual and theoretical employee counts to determine if any staffing adjustments can be recommended.

The review team completed the above analysis for the Old Bridge Township School District to determine the staffing required to perform night cleaning and to establish daytime requirements for basic (statutory) boiler maintenance and porter services.

With a combined contracted and district custodial staff of 91, and subtracting the personnel necessary to perform daytime maintenance, there are 63 cleaners for 1,112,411 square feet of space to be cleaned. The analysis illustrates that the district meets the average utilized in this study.

Cost of Operations

The process to identify potential cost savings within the school district includes the following:

1. Perform a square footage analysis for the district and compare the cost per square foot against regional benchmarks and other school districts reviewed by Local Government Budget Review teams. For regional benchmarking, the review team utilizes the *American School and University [ASU]*, a national publication for facilities, purchasing and business administration. The *ASU* performs annual maintenance and operations surveys of school districts around the country. It provides reports on the cost to operate schools, including payroll, outside contract labor, gas, electricity, heating fuel, equipment and supplies, etc., on a regional level. Region 2 includes New York and New Jersey.
2. Identify and analyze budget lines and accounts that appear to be high in relationship to regional benchmarks and/or similar school districts.
3. Provide areas for cost savings based upon programs and/or efficiencies identified in other school districts or municipalities that may be applicable in the district of review.

The following table summarizes the Old Bridge Township School District's cleaning, maintenance, grounds and utility costs per square foot for the 1998-99 school year:

CATEGORY	EXPENSE (\$)	EXPENSE (\$) SF	EXPENSE (\$) SF
	OLD BRIDGE	OLD BRIDGE	OCT 99 ASU
CLEANING			
Salaries	\$1,338,659	\$1.20	\$1.70
Overtime	\$120,795	\$0.11	
Supplies	\$166,943	\$0.15	
Contracts	\$1,613,805	\$1.45	
Subtotal - Cleaning	\$3,240,202	\$2.91	\$1.70
MAINTENANCE			
Salaries	\$682,624	\$0.61	\$0.41
Overtime	\$182,205	\$0.16	
Supplies	\$-	\$-	\$0.20
Contracts	\$1,554,797	\$1.40	\$0.38
Misc.	\$6,762	\$0.01	
Subtotal - Maintenance	\$2,426,388	\$2.18	\$0.99
TOTAL Cleaning & Maintenance	\$5,666,590	\$5.09	\$2.69
GROUNDS			
Salaries	\$233,960	\$0.21	\$0.21
Overtime	\$66,410	\$0.06	
Supplies	\$-	\$-	\$0.09
Contracts	\$341,469	\$0.31	
Subtotal- Grounds	\$641,839	\$0.58	\$0.30
UTILITIES			
Natural Gas	\$460,228	\$0.41	\$0.31
Electric	\$1,299,336	\$1.17	\$0.68
Water/Sewer	\$68,895	\$0.06	\$0.23
Other Fuel			\$0.24
Subtotal- Utilities	\$1,828,459	\$1.64	\$1.46
TOTAL Grounds & Utilities	\$2,470,298	\$2.22	\$1.76
TOTAL Maintenance & Operations	\$8,136,888	\$7.31	\$4.45
INSURANCE	\$60,000	\$0.05	\$0.11
GRAND TOTAL	\$8,196,888	\$7.37	\$4.56

Source: 1998-1999 Comprehensive Annual Financial Report (CAFR)

The overall costs for plant operations for the Old Bridge Township district are 60% higher than the average costs determined by the ASU survey. Based on this information, the review team investigated individual areas where costs were higher than the ASU results.

Salary and contract costs in cleaning and maintenance were low in relation to the expenditures of the four-comparison school district's in these areas. However, overall costs for operations and maintenance were high. The inconsistency is a result of the vendor contracts for cleaning, correctly budgeted in maintenance purchased services, and the addition of high salaries of long-established custodians. In the comparison districts, either contracted services or district staff exist, not a combination of the two as in the Old Bridge District.

The district contracts with three companies for heating, ventilating and air-conditioning (HVAC) services. There are also four HVAC technicians on staff. The school district operates 19

buildings, but only two are fully air-conditioned. Other buildings have window air-conditioning units. The overtime total for these four employees for the 1998-99 school year was \$93,700, more than half of the total overtime for maintenance. One of the technicians is assigned to the second shift, which is generally recommended as a tool for reducing overtime.

Recommendation:

LGBR recommends that the district consider elimination of two of the four technician positions through attrition, and monitor the contracts for HVAC services to insure compliance.

Cost Savings: \$170,695

The expense of overtime for the remaining members of the maintenance staff was approximately \$88,000. District personnel are utilized for many construction projects through the school year. However, much of this work is scheduled on weekends or holidays to eliminate disruption at the schools. This policy increases maintenance costs and adds to overtime amounts.

Recommendation:

The LGBR team recommends overtime for the remaining maintenance personnel be reduced by two thirds. This can be accomplished by assigning maintenance personnel to a second shift, through cooperative scheduling between the principals and the director so that projects can be accomplished during regular hours, or by setting up a rotating schedule of two week intervals where the majority of personnel work Tuesday through Saturday.

Cost Savings: \$59,000

The district contracts for cleaning and custodial services with five private vendors. In addition, there are 31 district custodians. The average district employee's placement on the salary guide is between Step 10 and the top of the guide. Custodians are also entitled to stipends for Black Seal Licenses, longevity and supervisory assignments.

Custodial overtime for the 1998-99 school year totaled over \$120,000 and was primarily building coverage for the use of school facilities by outside organizations. The district currently offers its buildings and grounds to township groups without cost. However, they require that a district employee be on site whenever a group is in a building. Therefore, if custodial services in a school are completely contracted, or the night shift consists of contracted personnel, a district staff member is paid overtime to oversee the building usage.

A review of the 1998-99 bid summary for contracted custodial services illustrates the comparison of costs between district and private vendor services. The bid price for a private service cleaner for 12 months at eight hours per day was \$20,042. The 1998-99 cost for a district custodian at Step 10 on the salary guide, with benefits, was approximately \$42,620. The vendor cost for a building supervisor with a Black Seal license was \$34,775.

Recommendation:

The team recommends that the district reduce in force the remaining 31 district custodians and bid the services. The savings will be the difference between the total district employee costs, plus benefits, minus the cost to privatize the service. The privatized number is based on current district costs and was increased by 10% to allow for additional supervisory positions.

Cost Savings: \$1,015,546

Grounds Operations

The district contracts a portion of grounds services to private vendors in addition to employing six field men. These contracts with vendors require the following services:

- landscaping services;
- grass cutting;
- field maintenance at two fields, the varsity football field and the varsity baseball field;
- installation of infield mix and clay at several locations; and
- application of fertilizers, insecticides, etc.

The district employs a total of six “field” maintenance personnel, whose duties are defined in district job descriptions as:

- One position is described as a “stock room clerk.”
- One position is solely utilized for sorting and handling mail.
- The four other positions are alternately referred to as groundsman whose responsibilities include assisting the above-mentioned positions when necessary.
- General responsibilities include tree pruning, fertilizing, providing laborer assistance to maintenance personnel, assisting with vehicle parking at athletic events and, when required, delivery of various school equipment, supplies, and construction materials.
- Preparation for events at 18 district athletic fields, i.e., raking, dragging and lining.
- Preparation for events at eight township fields.
- Set up for track and field events at the two high school campuses.

Additional duties include transportation of band instruments to and from all parades, concerts and football games; moving and storing wrestling mats; repair and maintenance of snow blowers, leaf blowers, backhoe, tractors, etc.

Total overtime paid to field personnel for the 1998-99 school year was \$66,410 and the average salary was \$39,000.

Recommendations:

LGBR recommends that the position of stock clerk also be assigned the mail duties, which would provide an additional person to work on the grounds crew. This move should help to reduce overtime.

Hiring temporary employees to direct traffic at athletic events can make further reductions in overtime. The average hourly overtime rate for field men in 1998-99 was \$28.64. Temporary agencies in the Middlesex County area provide temporary security at costs ranging from \$7 to \$15 per hour.

LGBR recommends that the repair and maintenance of grounds equipment be reassigned to the transportation garage. With the recommended cut of one mechanic, there will still be a .5 position available for additional work.

The cost of transporting band equipment by district field personnel in district vehicles should be compared with the cost of contracting out this task.

One of the factors affecting overtime, according to district administrators, is the need to perform landscaping tasks when schools are not in session. LGBR recommends that the district consider Tuesday through Saturday work weeks and/or 11:00 a.m. to 7:30 p.m. shifts.

The team estimates that implementation of the above will save approximately half of the current dollars spent on overtime in this budget category.

Approximate Cost Savings: \$30,000

TRANSPORTATION

Pupil transportation in New Jersey is governed by the N.J.S.A. 18A:39-1 through 18A:39-25, which stipulates that elementary school pupils who live more than two miles from their public school, or secondary pupils who live more than two and one half miles from their public school, are entitled to transportation to and from school. In addition, the law requires that transportation be provided for students attending a remote school other than a public school, operated not for profit, located not more than 20 miles from the pupil's residence. The requirements of law also restrict the per pupil cost of non-public transportation to a stated yearly amount (1997-98, \$675; 1998-99, \$702; 1999-00, \$707). If transportation cannot be provided for this amount, or less, parents are reimbursed the legislated amount.

Courtesy busing is defined as the transportation of students residing two miles or less from the school for elementary grades, and two and one half miles or less for the secondary grades. Under state law, this transportation, if provided, is unaided.

The Old Bridge School District consists of 42 square miles and contains both rural roads and busy highways. Transportation is provided for students attending 12 elementary schools--kindergarten through 5th grade, two middle schools for grades 6, 7 and 8, and one high school which is divided by grade level, 9th and 10th on the east campus, and 11th and 12th on the west. In addition, students are transported for English as a Second Language (ESL) classes, pre-school programs, vocational-technical high school programs, in-district and out-of-district special

education placements, and an alternative high school program. Transportation is also provided for students attending non-public schools and for extra-curricular and athletic events for district students.

While the district has been creative in creating a mixture of private transportation contracts and district buses and vans operated by Old Bridge employees, a number of internal transportation organizational improvements are suggested by LGBR.

Transportation To and From School

Routes for regular to and from transportation in the Old Bridge School District are contracted to private vendors as well as assigned to in-district staff and vehicles.

Transportation in the 1998-99 school year was provided for 7,446 of the 9,426 in-district public school students. A breakdown of all students transported during the 1998-99 school year appears in the table below:

	In-District	Out-of-District	Non-Public
Regular Students	4,732		971
Special Ed students	822	137	
Courtesy Students	2,714		187

Improving upon transportation efficiency in public school districts can be described as seeking equal or improved services for fewer dollars. The strategy of “tiering” bus routes and bidding the “tiers” as packages (or in the case of in-district operations, assigning runs to drivers as a package) is one of the methods utilized to increase efficiency and save transportation monies. When runs are combined or tiered, each vehicle is assigned to a group of runs, thereby, utilizing the vehicle for as many hours during the day as possible.

The basic principle of operating efficiency in transportation can be stated as follows:

Principle: Yearly vehicle operational costs, i.e., lease or amortized cost, repair parts and labor, and insurance expenses are stable, regardless of how many trips the vehicle is assigned to during the course of the year, (excluding fuel, driver salaries, benefits, etc.).

Application: When these operational costs are applied to Vehicle A for Year 1 at \$15,000 and that vehicle is assigned to only one elementary school run throughout the year, the operational cost for that run is \$15,000. The same vehicle assigned to a high school, middle school and elementary school run throughout the year produces a more efficient per run cost of \$5,000. A group of routes packaged in this manner is referred to as a “triple,” and, in the same manner, a route package that combines runs to two schools is called a “double.”

District Operations – Overview

The district transportation department staff is comprised of a transportation supervisor, 2 secretaries, 3 mechanics, 39 contracted drivers, 5 substitute drivers, 15 van attendants and 1

substitute attendant. There are 38 school vehicles being utilized and maintained. Services for pupil transportation are provided by contract with ten vendors, several joint transportation agreements with other school districts, and district staff and equipment.

The Middlesex County Educational Services Commission (MCESC) offers services for vocational, non-public and special education transportation; however, the Old Bridge Township School District does not participate in this shared transportation. One reason offered for the lack of participation was geographic considerations, i.e., the district is located in an area which would place the Old Bridge students at the beginning of routes causing their rides to be substantially longer than district policy.

The hourly pay rate for bus drivers in the Old Bridge District for the 1998-99 school year ranged from \$10.37 to \$16.85. Stipends are allotted for: longevity after 15 years, reaching the top of the salary guide, and driving a wheelchair vehicle. Drivers' run assignments are determined by seniority on a rotational basis.

The transportation and repair facilities are housed on an abandoned Nike missile site, along with the offices and shops for plant operations.

District Operations – Bidding Procedures

In August, 1997, Old Bridge bus routes were re-organized and packaged into "tiers," where possible. Those routes not assigned in-house were put out to bid. A total of 117 "packages" and single routes were offered for bid. These consisted of 31 triple tiers, 22 doubles, 9 single vocational-technical high school routes, 26 special education routes and 29 single routes to non-public schools. Eleven vendors participated in the bid process, and ten were successful. There were no bids submitted on thirteen routes: one triple tier, one double tier, ten non-public routes and one special education route. The results of this bid were approved at the August board of education meeting. The total approved by the board for all route bids was \$2,513,068.

In addition to the above routes successfully bid, at its September, 1997 meeting, the board approved an additional 59 quoted routes with a total cost of \$611,000. In October, the board approved \$102,000 for 11 additional routes, and in November, 10 more quoted routes were approved for \$106,400. The 80 quoted routes in this three-month period totaled \$819,400. These routes were not subsequently bid, but were processed and submitted to the Department of Education, Middlesex County Office as "Quoted." They were approved for operation throughout the 1997-98 school year by the county superintendent.

The following year, August and September, 1998, the board approved quoted routes in the amount of \$935,350. Board minutes beyond this date were not examined. The board was asked to approve \$1,102,900 in quoted routes for the 1999-00 school year in September, 1999. Again, the team did not search further in the board minutes.

In essence, pricing of district transportation runs on two parallel tracks: the August, 1997 routes, which have been renewed at no increase in cost for two years, and the quoted routes, whose costs have risen annually in that same time. The review team noted that the majority of the routes quoted each year were identical to those from the previous year.

Procedurally, the transportation numbers and aggregate sums received from quotes each year exceed the statutory bid threshold and, therefore, require bidding. See N.J.S.A. 18A:18A-3.

LGBR believes that the practice of quoting routes has resulted in Old Bridge expending monies unnecessarily. The routes bid in 1997-98 have been renewed each year with a 0% increase. In contrast, routes quoted for the past three years have increased in cost, on average, 7% per year. From 1998-99 to 1999-00, costs for quoted non-public routes increased between 8.5% and 9.5%.

Recommendation:

LGBR recommends that the practice of soliciting quotes for routes be discontinued, pursuant with N.J.S.A. 18A:18A-4 and N.J.A.C. 6:21-13.1, with the exception of true emergencies. In such cases, a temporary route can be set up and quotes received prior to the formal bid process. Management procedures should be instituted, which will allow for long range planning of transportation needs, making quotes unnecessary. If the district had bid routes in 1997-98 instead of soliciting quotes, the savings in the 1998-99 school year would have been approximately \$34,650.

Cost Savings: \$34,650

District Operations - Vehicle Bids

The district purchased 54 passenger school buses, 16-passenger school vans and wheelchair lift equipped vehicles through the bid process. The last bid for school vehicles was in 1997. It was noted upon examination of the vehicle bid specifications and ensuing bid summary that the district utilized restrictive manufacturer-created specifications for both the full size school buses and the 16 passenger and wheelchair lift vans. The ramifications of restrictive bid specifications become obvious when there is little or no competition at the bid openings. Only one bidder for each type of vehicle participated in the process in Old Bridge.

The National Student Transportation Association estimate of increased vehicle cost associated with non-competitive bids is 10 to 15%. Using this estimate, a \$40,000 vehicle could cost a district \$44,000, or more, when non-competitive bids are accepted.

Recommendation:

It is recommended that the district develop vehicle specifications, which are general in nature and include the equipment desired, without resorting to restrictive bids. In addition, the district should actively pursue competitive vendors to ensure compliance with N.J.S.A. 18A-18A-15 and to decrease the cost of vehicle acquisition. Savings are based on the purchase of one 54-passenger school bus and two 20-passenger vans using NSTA estimates of savings through non-restrictive bidding.

Cost Savings: \$12,000

District Operations - Drivers

The Old Bridge Township Board of Education employs 39 regular bus drivers and 5 substitute drivers. Regular drivers are contracted for ten months at eight hours per day. The 15 contracted van attendants are also employed for an eight-hour day.

The school district owns 38 school buses and vans to be utilized for pupil transportation. Industry standards indicate that a fleet this size requires a minimum of five spare vehicles to handle emergency breakdowns and vehicles unavailable while being repaired.

The district's transportation department does not have any spare vehicles. The district's 54 passenger bus routes are divided up and shared among the 39 regular bus drivers, using the district's 38 vehicles.

Members of the transportation department staff were unable to supply the team with a list of bus driver assignments for either the 1998-99 school year or the 1999-00 school year. In response to questions regarding the activities requiring 39 drivers to work eight hours a day, it was stated that district drivers perform many other tasks in addition to regular and special needs runs. As further explained, this could include:

- ESL transportation;
- Pre-school transportation;
- courier service to and from the buildings and post office;
- deliveries to the County Office of the Department of Education;
- field trips during school hours; and
- various tasks as needed.

Recommendation:

LGBR recommends that the district eliminate six contracted driver positions through attrition. The savings associated with this reduction assumes that the six drivers would be those at the bottom of the guide and includes the cost of benefits.

Cost Savings: \$129,240

District Operations - Extracurricular Transportation/Late Runs

The majority of extracurricular and athletic trips are done in-house with district drivers and vehicles. This work is selected by the drivers on a rotating seniority basis. While the negotiated agreement calls for the drivers to select daily trips before their first run from a check-off list, this is not the procedure being utilized. Currently, all regular bus drivers meet in the transportation office from 9:00 a.m. to approximately 10:30 a.m. each day. During this time, the drivers select their additional work from a list in the office.

A cost analysis of this practice shows that the district spends \$157,000 on these meetings over the course of a 10-month school year. More efficient procedures can eliminate a large portion of this cost.

Recommendation:

The team recommends that the district return to the Extracurricular/Late Run process as defined in the negotiated agreement. This may allow the district to approach the assignment of extra work through an activity board, on which drivers quickly access the trips, make a decision, and go about their regular duties.

Cost Savings: \$157,000

Courtesy Busing

Courtesy busing is transportation provided for students who do not meet the state eligibility profile for transportation to and from school. As stated above, pupil transportation is governed by statute, and school districts are provided proportional state aid for students whose residences are “remote” from the school. Remote is defined by statute as more than two miles for elementary school pupils and more than two and one half miles for secondary pupils.

Districts that transport students who live “less than remote”, that is, closer than the aided distances, are said to be providing courtesy busing. Many districts have begun to refer to this busing as “hazardous” or “safety” busing, arguing that a lack of sidewalks and/or busy roadways makes it unsafe for students to walk to and from school. However, the terms utilized in statute and code to refer to these students are “remote” and “less-than-remote.” For the purposes of this comparison, the terms utilized will be “courtesy” and “eligible,” eligible signifying that transportation for these students qualifies for state aid.

The district has a policy governing the provision of courtesy busing for students who travel along hazardous highways or where there are no sidewalks, and for pupils who live along routes the district deems hazardous, based on police department assessment. The district provides courtesy busing for non-public school students under the same board policy.

Legislation permits courtesy busing, but does not fund it. Subscription busing is permitted; under that arrangement families are charged for the student being transported if the student is not eligible under the state mileage restrictions.

The following table gives a three-year historic overview of courtesy busing for students attending public schools in Old Bridge:

School Year	Courtesy Students	*Eligible Students
1997-98	**3,722	4,519
1998-99	2,714	4,732
1999-00	2,788	4,767

*The regular student count excludes special need, non-public and out-of-district special need students. **This number was provided by the district’s transportation department and questioned by LGBR. The department agreed that it was inaccurate and over-stated, but could not produce an accurate count.

As of October 15, 1999, the district reported 2,901 students as being provided courtesy busing. This includes 187 courtesy students bused to non-public schools.

While LGBR realizes that hazardous conditions and areas without sidewalks pose potential dangers to students who walk to and from school, providing transportation for less than remote students increases the tax burden on all citizens of the state.

LGBR also recognizes the futility of recommending the abolition of courtesy busing, particularly in an areas such as Old Bridge Township, where the schools are located within an area with increasingly heavy traffic patterns. Therefore, the team suggests the following:

Recommendation:

LGBR recommends that the district monitor hazardous areas to determine if there is a continuing need for courtesy busing within the district. At times, sidewalk construction or other changes may permit reduction in courtesy busing, yielding cost savings without compromising safety.

Operational Costs – In-house Routes

Before an analysis of operational costs can be completed, it is necessary to determine the actual costs of in-house operations. Since the comparisons required the team to examine hourly, as well as, per route costs, an hourly rate was utilized. This rate was determined by subtracting from the actual 1998-99 expenditures all costs for extra-curricular and athletic trips and removing monies paid to private vendors and other districts. Salaries for bus drivers were not considered in this portion of the formula, although all other salaries pertaining to transportation operation were included. Costs for amortization of vehicle purchases and employee benefits were added. All repair and fuel amounts were reduced by 10% to allow for the expenses for maintaining the fleet associated with buildings and grounds. This new total was then divided by 180 school days, divided by the 8-hour bus driver day, and then divided by the total of 39 bus drivers on staff. This produced a per hour operational cost of \$22.57. With the addition of an average per hour rate for the bus driver expense, the total cost per hour to run a school bus for the Old Bridge Township Board of Education in 1998-99 was \$38.43.

Examination of costs for field and athletic trips for the 1998-99 school year showed that school bus trips that were contracted to private vendors were, on average, less expensive than utilizing district vehicles and drivers. Example: a 2½-hour trip to a local orchard cost \$75.00 when contracted and \$96.08 when done in-house.

Recommendation:

The decision to assign a trip to a district driver should be based on the actual cost of the trip. If it is cheaper to utilize a private contractor, the trip should be removed from the driver's list of available trips.

Non-Public Transportation

Students attending private or non-public schools are entitled to transportation under the same statute and guidelines that govern public school students, with the exceptions noted in the Overview portion of this section. State aid is apportioned on a per pupil basis for eligible students. During the 1998-99 school year, Old Bridge provided transportation for a total of 971

eligible non-public students and 187 ineligible or courtesy non-public students. One hundred thirty-nine eligible non-public students were recorded as receiving reimbursement for aid in lieu of transportation. Non-public students residing in the township attended a total of 59 individual private schools in 1998-99.

Non-public students are transported to 15 schools and the district provides Joint Transportation Agreement service for 19 students from seven other school districts.

In reviewing the contracts for non-public transportation, as well as the costs of in-district staff utilized to transport to private schools, the LGBR team noted that the cost for many of the non-public routes exceeded the statutory limit of \$702 per student set for the 1998-99 school year.

While the team understands the pressures placed on the districts to provide transportation to non-public schools, it is imperative that monies be appropriated according to statute. State aid for non-public school students is based on per pupil amounts. Expenses for non-public transportation over those limits are unaided expenditures.

Recommendation:

The LGBR team first recommends district compliance with N.J.S.A. 18A:18A-39.1, which requires that the district reject the bids and quotes outside of the stated price limitations for non-public routes. The district would then reimburse the parent or guardian, as provided in statute, and would only bus non-public school students when the total costs for the routes were at or less than the mandated per pupil limitation.

Compliance with N.J.S.A. 18A:18A-39.1 will result in cost savings to the district. LGBR analyzed the costs of each non-public route and identified those that exceeded the mandated per pupil cost. The number of students on the route was then multiplied by \$702 and the ensuing total was subtracted from the contract cost.

Cost Savings: \$109,752

During the examination of transportation records, vendor purchase orders and the District Report of Transported Resident Students, it was determined that the district paid contractors for four routes which had no student assignments. It is assumed that these routes were never run, and that the monies were paid in error. It is recommended that the district improve the management of route assignment to assure that payments are not made when no service has been provided.

Cost Savings: \$43,200

Special Needs and Vocational School Transportation

Special needs routes for out of district placements are contracted to private vendors. The routes are bid annually, there is adequate competition, and the costs are reasonable. The majority of the bus routes for vocational school transportation were included in the 1996-97 bid. Since that time, additional vocational bus needs have been quoted.

Vehicle Maintenance and Repair

The Old Bridge school district repair facility consists of two bays and is located at the Nike missile site. The garage was well equipped, but was not kept orderly. The area outside of the garage was used to store old batteries, tires, and miscellaneous parts. Supervision of the mechanics and the facility is the direct responsibility of the transportation supervisor.

Preventive maintenance and repair of the 38 school buses and 16 maintenance vehicles is done in-house. In 1998-99, the staff consisted of one head mechanic and two full-time mechanics. District mechanics are required to work a 40-hour week. Two mechanics, one of whom is the head mechanic, work a day shift from 7:00 a.m. to 3:30 p.m. The shift for the third mechanic, 11:00 a.m. to 7:30 p.m., is staggered to provide emergency coverage for school buses on trips and late runs.

Vehicle fuel is purchased from Old Bridge Township, which relieves the mechanics of the job of pumping fuel.

Vehicle Equivalents

Vehicle Equivalents (VE) is a method developed by the US Air Force to determine the staffing level needed to maintain vehicles. Fleet maintenance-consulting firms recognize it as one of the best guidelines for analyzing staffing levels. This method determines the average number of hours of maintenance and repairs a vehicle requires and translates those into VE. For example, a passenger vehicle requires approximately 17.5 hours of work per year, while a school bus may require 52.5 hours per year.

Based on the makeup of the district's fleet, the team calculates that Old Bridge has a VE of 142 or 2,485 maintenance hours annually.

The VE ratio is determined by using the number of available annual mechanic hours. A full-time mechanic has approximately 1,750 hours available per year. This is derived by reducing 2,080 hours, which are annual hours under a 40-hour week, by the average number of vacation days, holidays and sick days. The available hours are divided by the maintenance requirements for one passenger vehicle to determine the industry standard VE ratio of approximately 100 per mechanic. Based on its vehicle equivalents, the district's staffing requirement is 1.42 Full-time Employees (FTE). The districts current staffing of three is approximately 1.5 FTE more than is necessary for the size of the fleet maintained.

Salary Structure

All three of the district's mechanics have reached the top of their respective salary guides and each receives longevity increments. Although the position of head mechanic has a separate guide, there is an additional stipend paid for that job category. Salaries totaled \$135,837, including increments and stipends. Overtime for mechanics amounted to \$28,000 in 1998-99.

Recommendation:

LGBR recommends that the district eliminate one mechanic's position through attrition. In addition, the practice of having a mechanic on duty until 7:30 p.m. should be abolished. This has been a source of considerable overtime during vacation periods and is unnecessary. Drivers should be provided with emergency numbers to use, if needed.

Cost Savings: \$61,248

FOOD SERVICE

LGBR reviewed the food services program. We interviewed the assistant superintendent for business, the food services director and staff. Several production and satellite kitchens were visited. Documents relating to purchasing, inventory, payroll, management reports, and Comprehensive Annual Financial report (CAFR) were reviewed for 1997-98 and 1998-99 school years. Following the review, LGBR measured realistic standards against performance. This type of analysis will be the focus for this section.

The district maintains a separate enterprise fund, as required by guidelines when state and/or federal funds are received and fees are collected from students for meals served. Any surplus monies are used to defray student cost of services or to purchase cafeteria equipment. The following table is a comparison of the operating gain and/or loss for the program during the 1997-98 and 1998-99 school years.

**Comparison of Food Services Operating Expenses versus Revenue
1997-98 & 1998-99**

Old Bridge School District	1997-98	1998-99
Local Sources:		
Daily Sales - Reimbursable Programs:		
School Lunch Program	557,897.00	665,680.75
Special Milk Program		
Daily Sales Non-Reimbursable Programs	766,663.59	799,167.03
Community School (Tuition)		
Special Functions		
Miscellaneous	3,062.37	
Total Operating Revenue	1,327,622.96	1,464,847.78
Non-Operating Revenue:		
State Lunch Program	28,408.68	32,246.54
National School Lunch Program	333,018.10	379,656.78
USDA Commodities	82,652.00	68,209.67
Service Organization Contribution	72,378.00	3,125.66
Operating Transfers In - General Fund	85,366.07	31,458.97
Other Non-Operating Revenues		(5,366.56)
Total Non-Operating Revenues	601,822.85	509,331.06
Total Income	1,929,445.81	1,974,178.84
Operating Expenses:		
Salaries	715,026.00	732,438.10
Benefits	103,191.00	106,664.33
Repairs and Other Expenses	137,174.00	120,130.83
Supplies and Materials	45,985.00	56,025.45
Management Fee	33,120.00	34,116.00
Depreciation	17,740.91	17,887.83
Cost of Sales	828,438.81	854,995.85
Insurance	66,511.00	69,807.28
Total Operating Expenses	1,947,186.72	1,992,066.67
Net Income Before Subsidy	-(17,740.91)	-(17,887.83)
Board Subsidy	85,366.07	31,458.97
Operating Gain (Loss)	67,625.16	13,571.14

The Old Bridge School District privatized its food service program in 1990. During the time LGBR was in the district, the operator was awarded a three-year contract in 1997, which expired June 30, 2000.

Employees consist of 1 food service director, 1 office clerk and approximately 89 food service employees. The district operates four production kitchens and twelve satellite kitchens. The production kitchens are: Old Bridge High School East and West campuses, Sandburg Middle School and Salk Middle School. The Old Bridge High School East production kitchen supports six satellite kitchens: Cooper, Memorial, Cheesecake, Shepard, and Madison Park. The Salk Middle school production kitchen supports seven satellite kitchens: Carpenter, Grissom, McDivitt, Miller, Schirra, Southwood, and Voorhees.

Food is prepared each day for the satellite kitchens and placed into warming cabinets, which are transported by truck. Once the food reaches each satellite school all-purpose room, it is placed into warming units to maintain proper temperature.

The district's current lunch charges are \$1.65 in the elementary school, \$1.75 in the middle school, and \$1.80 in the high school. These prices have been in effect for two years. During the 1996-97 school year, the lunch prices were five cents lower.

During the 1998-99 school year, the district served 548,969 meals. The following table depicts the total meal breakdown for the past two years.

School Lunch Program	1997-98	1998-99	Difference	Per Cent Increase Over 1997-98 Lunches
Paid	319,877	377,506	57,629	18.0%
Reduced	49,142	53,403	4,261	8.6%
Free	106,994	118,060	11,066	10.3%
Total Lunches	476,013	548,969	72,956	

As indicated by the above chart, paid lunches increased by 57,629, or 18 %, while reduced and free lunches increased by 15,327 or a total of 18.9% collectively. In comparing the October, 1997-98 student enrollment count totaling 9,322 to the October, 1998-99 student enrollment count totaling 9,600, the approximate increase in student enrollment between the two years was 278 students. The analysis shows that the student participation rate of the lunch program was marginal compared to the increase in students.

State guidelines allow for the district to charge \$1.85 at the elementary level and \$2.25 at the high school level. If the district were to raise their prices to match the state guidelines, the district would generate approximately \$63,800 additional revenue annually, based on current paid lunches.

Recommendation:

LGBR feels that the enterprise fund should be self-sustaining. Any contribution made by the board should only be to cover unforeseen deficits. During the 1997-98 and 1998-99 school year, the board subsidized the lunch program by \$85,366 and \$31,458, respectively. The district should consider raising lunch prices to reflect the current state guidelines and to help defray subsidized costs.

Cost Savings: \$63,800

The district employs 144 noon hour lunch aides. Aides are compensated at a rate of \$10.80 per hour during the 1999-00 school year. The annual cost during school year 1998-99 for noon hour aides and supporting substitutes totaled \$485,185. In the elementary schools, the district currently incorporates one noon hour supervisor per classroom. This equates to 123 aides in 12 elementary schools. Although this fosters a close relationship between a small number of children to one aide, it is not cost effective.

Recommendation:

The district should consider the reduction of noon hour lunch aides to support the elementary school lunch period and recess period. By using a consistent number of students supervised during lunch compared to student enrollment, the reduction of twelve aides would result in approximate savings of \$36,286 to the general fund account.

School	Possible Reduction in Aides
Grissom	1
Madison Park	1
McDivitt	4
Memorial	2
Southwood	1
Voorhees	3
Total Aides	12

Cost Savings: \$36,286

The food service company conveys the objectives of the food program to students, staff, parents and community. Once a year in October, operator representatives meet with the children to conduct a poll entitled "Vote and Be Heard." The children are able to vote, via a ballot, for their four favorite lunches. Based on popular demand, these lunches are offered more frequently throughout the course of the school year.

Supplemental vending machines also support the food service program. Guidelines permit non-carbonated drinks to be sold during lunch. All proceeds from vending sales are reported as "a la carte sales" and are deposited directly into the district's bank account. Benchmark statistics show that one vending machine generates approximately \$.15 per day per student. The following cost benefit analysis shows the profit a district could realize with supplemental vending.

High School	
Student population 1998-99 Enrollment	2,520
Estimated Per Capita Spending Per Day	\$0.15
Estimated Sales Per Day	\$378.00
Projected Annual Sales (180 days)	\$68,040.00
Estimated Product Cost (55%)	\$37,422.00
Annual Lease Cost (\$115 x 12 mos.)	\$1,380.00
Estimated Profit	\$29,238.00

The district currently has one non-carbonated drink machine and one snack machine at each high school campus to support the food service program. The total profit from these machines deposited to the enterprise fund for the 1998-99 school year was \$22,769.95. This indicates that the district is operating at 78% efficiency in generating supplemental vending machine sales compared to the estimated profit potential.

Recommendations:

The district should consider ways to increase vending machine sales. Increased sales could be generated from positioning the vending machines in a better location and polling the students to see what type of non-carbonated drinks they like.

Cost Savings: \$6,468

The following table compares major expenses associated with the district's food service operation to total income. These dollar values are also shown as percentages. The percentages are compared against percentages of benchmark food service cost ranges provided by a New Jersey food service company.

1998-99 Comparison of Food Service Expenses versus Income

Old Bridge	1998-99	%Cost Range vs. Income	Market Rate*
Total Income	\$1,974,178.84	100%	100%
Salaries and Benefits	\$839,102.43	43%	40% - 45%
Supplies and Materials	\$56,026.45	3%	4% - 5%
Cost of Sales	\$854,995.85	43%	39% - 45%
Repairs and Other Expenses	\$120,130.83	.6%	.2% - .5%

*Study from PMG Service Inc.

Based on the above table, LGBR concludes that total major operational costs for Old Bridge food services were within normal market rate ranges.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated agreements. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason, we present those issues subject to collective bargaining agreements in a separate section.

HEALTH INSURANCE

Retiree Health Insurance

The district also has an option of discontinuing payment of surviving spousal benefits to future retirees while still continuing it for current retirees. Under recently enacted legislation, a district is permitted to have separate retirement contributory requirements dependent upon negotiated agreements in force at the time of retirement.

If the district were able to negotiate this provision out of its contracts, it could save between \$1,500 and \$2,500 per surviving spouse based upon current rates. Since it is unknown how many future retirees would be affected by this negotiated change, the review team can not fairly estimate future savings for this provision.

Recommendation:

The district should negotiate elimination of the provision requiring payment of surviving spouse benefits.

Potential Cost Savings: Undetermined

Active Employees Coverage

The review team estimated the gross cost of health insurance for active employees in the district to be \$5,356,000 in 1999-00 and \$5,694,000 in 2000-01, prior to an adjustment of about \$120,000 due to refunds. The district's broker has outlined insurer-estimated savings for a variety of potential negotiated changes in coverage. All savings estimates are based upon 2000-01 net costs of \$5,574,000 for active employees.

A comparison of current district health benefits to the state's plan indicates that the district may save money if it moves to the state's plan. This switch could save between \$473,000 and \$642,000 for healthcare costs, based upon statewide averages. This is before reversals and refunds of entries. Assuming \$120,000 in refunds estimated savings would increase to \$353,000 to \$522,000.

The district has several savings options outside of the state's plan. Because the Old Bridge District has already made significant plan design changes, the review team believes that this is the best direction for the district to pursue for its active employees. Some potential money savings options are:

1. The district may benefit from switching carriers. The district's broker and the review team feel that another carrier may offer a similar plan at savings of almost the amount that the district could save through moving to the state's plan. According to estimates in other LGBR studies and those of the broker, it may be possible to save at least 10%, or \$279,000 to \$558,000, by obtaining better discounts through a different healthcare network.
2. The district currently has a deductible of \$200 and \$400 for family coverage. While this is less costly to the district than the states' deductible of \$100/\$200, it is still significantly above industry benchmarks and practices for businesses in New Jersey. If the district were to negotiate a deductible of \$300/\$600, the current insurance company estimates savings of approximately 2% or \$111,000. If a \$400/\$800 deductible could be obtained, the savings would be 3% or \$167,000.
3. The medical coinsurance levels are also different from the State's Health Benefits Plan. Currently the district has a coinsurance level of 80% of \$2,500, for total out of pocket expenses other than deductible, of \$500/\$1,000. If this were to increase to 80% of \$3,500 or 80% of \$5,000, the savings are estimated by the carrier to be 1% to 2.5%, or \$56,000 - \$139,000.
4. The current district plan has many first dollar benefits, which increase the costs of the plan when compared to other commercial health plans in New Jersey. These benefits give 100% coverage for certain types of health situations, such as emergency room charges, pre-natal care, check ups and other health related situations. According to the insurance company, the district could save about 6%, or \$334,000, by replacing this benefit with normal co-pays.
5. The district has a passive healthcare network. This permits network savings when a healthcare provider is in the network. The insurer and broker have offered a PPO option, which was not readily accepted by the workforce. LGBR recommends that the district continue to discuss this option with employee representative groups to gain increased acceptance of this alternative plan, which can offer more benefits at, potentially, lower cost to the employee. According to the broker, the nominal rates for the premium would be about 10% less than the current plan because of increased network utilization at a lower cost. If the district were able to have 40% participation they could expect to save 4% of healthcare costs, or \$223,000.
6. If the district were able to negotiate employee payment of the cost difference between the traditional plan and managed care options, the district could save another 6%, or \$334,000.

Recommendation:

The district should continue to pursue further cost containment methods. The potential for savings is significant, ranging from \$1,280,000 - \$1,755,000. If the district is unable to continue negotiating cost containment concepts, it should consider the New Jersey State Health Benefits Plan, which does have different benefit levels.

Potential Cost Savings: \$1,280,000 - \$1,755,000

The district does not charge a participation charge for health benefits. There are two methods to do this. One is a straight percentage basis and the other relies upon charging for other than single coverage, which would require the insurer to break out coverage levels from two to four levels:

1. Single;
2. Husband/Wife;
3. Family; and
4. Parent/Child.

The district can then charge a flat participation rate of 10% for health care plans or 20% for other than single rates. This usually results in approximately the same range of savings. After discounting for the potential savings above, the review team estimates the savings to be \$410,000-\$469,000, depending on the negotiated plan design savings implemented. For the other than single coverage, the savings at a 20% level is \$477,000-\$545,000. This is based upon current ratio spreads and lowered cost levels.

Recommendation:

The district should negotiate, and implement, an across the board premium cost-sharing arrangement with its employee unions.

Potential Cost Savings: \$410,000 - \$545,000

There are many employees who may not qualify for health benefits, based upon the number of hours that they actually work. For example, the district pays its bus drivers for an eight-hour day, but they work less than 20 hours per week. This is an expensive benefit when compared to the salary level and the hours actually worked. On a district wide comparison, the benefit cost is estimated to be about \$7,975 per employee. This, when added to a part-time bus driver function, significantly increases costs. The savings for this are covered in another section of a report, but it is a very expensive cost to the taxpayers.

Prescription Benefits

The district can expect to pay approximately \$1,169,000 for prescription benefits in 1999-00. The review team projects the district can expect a 15% increase in prescription charges in 2000-01, for a total cost of \$1,344,000. The district should be applauded for its prescription plan design. The review team conducted a comparative analysis between the state's plan and the district's plan costs and found that the district's was less expensive.

The Old Bridge plan features a mandatory, generic only, provision whereby, a patient has to select a generic medication when available or pay the difference. It is estimated that the generic only plan employed by the district has saved an estimated 9%-12% of potential rates. For generic medications and medications that do not have a generic equivalent a \$6 co-pay applies.

Many medications do not have a generic equivalent. This results in a \$6 co-pay applied to over 60% of prescriptions in a plan. The district could negotiate separate co-pays for medicines that

have no generic equivalent. The review team believes that a \$20 - \$25 co-pay for medicines without a generic equivalent could save an additional 5-8%, or \$67,000 - \$108,000, from an estimated \$1,344,000 in prescription costs for 2000-01.

There are other techniques that can be negotiated to save prescription plan costs, such as mandatory mail order for maintenance medications after 90 days, which can yield savings to the district of an estimated 4% to 6%, or \$54,000 - \$81,000. Also the district might negotiate a \$10 co-pay for generic medications which would result in savings of about 5%, or \$67,000.

Recommendation:

The district should continue in its laudable cost containment strategies for prescription medications. These have already yielded significant savings to the taxpayers. If the district were able to negotiate all of the above suggestions, the review team estimates savings in the order of 11% to 15%, or \$148,000 - \$202,000.

Potential Plan Design Cost Savings: \$148,000 - \$202,000

Dental Plan

The district paid approximately \$1,055,000 for dental benefits for 1999-2000. They can expect to pay the same amount in 2000-01, based upon industry trends of flat premium levels. The broker has suggested, and the review team concurs, that the district can save money in dental benefits through a variety of cost containment and cost sharing concepts.

The district currently has a \$25/\$75 deductible for dental deductibles. If they were to double the deductible they could save about 12% or \$127,000. The district could negotiate a premium co-pay of 50%, much like the state requires of its employees. This would save about \$464,000 after accounting for the increase in deductibles.

Recommendations:

The district should negotiate an increase in deductible levels.

Potential Cost Savings: \$127,000

The district should negotiate a 50% premium co-pay with its employees.

Potential Cost Savings: \$464,000 - \$527,000

TRANSPORTATION

District Operations - Negotiated Agreement

The negotiated agreement between the Old Bridge Township Board of Education and the Old Bridge Township Education Association includes bus drivers, mechanics and bus aides. Bus

drivers and mechanics are granted tenure after completion of three years and one day of employment.

The agreement includes provisions for twelve-month bus drivers, but the district has phased out the twelve-month positions through attrition. At this time, all drivers are working ten months, with the ability to sign up for summer work, if available.

District drivers are entitled to two personal days and ten sick days per year. In addition, bus drivers are granted 13 paid holidays and a week of vacation at the end of the school year. With the paid holidays and vacation, district bus drivers are paid for an eight-hour day 198 days per year.

Recommendation:

LGBR recommends that the board seek legal counsel in renegotiating the current contract provisions in an effort to:

- **Eliminate the guaranteed eight-hour day for drivers and replace it with hourly pay for time associated with bus routes. All other work should be paid from time sheets or performed by less expensive staff.**
- **Reduce the bus driver's year from 198 to 183 days, eliminating the paid holidays and the week of vacation. This will bring the district in line with other school districts in the state. The following savings amount is based on an average per hour rate of \$15.86 for 33 drivers employed for 183 days.**

Potential Cost Savings: \$215,266

IV. SHARED SERVICES

Tremendous potential for cost savings and operational efficiencies exists through the implementation of shared, cooperative services between local government entities. In every review, Local Government Budget Review strives to identify and quantify the existing and potential efficiencies available through the collaborative efforts of local officials in service delivery in an effort to highlight shared services already in place and opportunities for their implementation.

Among ways that the district has employed to save money through shared services are:

- The district is a member of the New Jersey Cooperative Purchasing Program. The program works with other government agencies to reduce the costs of supplies and materials through bulk purchasing. The district also cooperatively purchases natural gas as a part of the Middlesex County Education Services Commission. Old Bridge recently entered into the Cooperative Pricing System of Mercer/Middlesex #61. This arrangement provides competitive pricing for rock salt, telephone services, and computer and office supplies.
- Old Bridge Township provides the school district with engineering service on a rate per hour basis. However, it does charge a service fee of 5-10%. The school district gases its buses and vehicles at the municipal fuel depot.
- School librarians have an on-line connection to the municipal library. Joint staff development programs are conducted for the school library employees and the municipal library staff.
- The township recreation department provides ice time at the municipal rink for the high school hockey team. A summer recess program is provided for students with disabilities. This reduces the district's expenses for extended year special needs summer programs.
- The township recreation programs receive use of schoolrooms and gyms. The community athletic leagues utilize school grounds and fields for interscholastic sports and team practices.
- The Old Bridge Board of Education and the municipality have a joint recreational facility at Geick Park. This arrangement promotes the maximum use of existing facilities. The school district controls the use of facilities to prevent interference with the K-12 educational program.

The district should be commended for the initiatives taken toward cost effective shared services. LGBR recommends a joint municipal/school committee be established to further develop shared services and cooperative arrangements. Opportunities for additional shared services may be found in computer technology, training, and maintenance and vehicle repair. Other opportunities for sharing may exist in administrative support services, benefits administration and processing of purchasing.

In addition to savings to be realized by joining services, there are two new state programs designed to encourage and reward local governmental units and their taxpayers for regionalizing, sharing and joining services with other units of local government. The Efficiency Development Incentive Act (REDI) provides funds to local units to study the feasibility of joining services.

The second program, REAP (Regional Efficiency Assistance Program), provides direct tax relief for any local government regional service agreement signed after July 1, 1997. A school district that plans to study or implement a shared-service agreement may apply for a grant and/or loan to study regional service or consolidation opportunities and to fund one-time start-up costs for those purposes by visiting the REDI Website at www.state.nj.us/redi, or by calling the DOE at 609-633-2454.

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGEMENTS

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